Demand to take Effective measures for afforestation in the Country

SHRI SYED AZEEZ PASHA (Andhra Pradesh): Sir, India is the second most populated and the seventh largest country in the world having a population of one billion with only 1.8 per cent of the world forests.The forests of India are sustaining the needs of 16.7 per cent of the world's human and 18 per cent of livestock population. Forests contribute 1.7 per cent of the GDP of our country. Unfortunately, the desired objective to cover 33 per cent of our geographical area under trees is yet to be achieved. Even though the National Forest Policy of 1952 and the new National Forest Policy of 1988 proposed that 60 per cent of the land in the hills and 20 per cent in the plains should be covered under forest. But the net result is that we are having only 19.27 per cent of forest cover and the per capita forest is 0.08 per cent, comparing to Japan, Indonesia, Malaysia, Philippines and Sri Lanka, where 66.8 per cent, 60.6 per cent, 47.1 per cent; 22.7 per cent and 27.8 per cent forest cover are existing. The lack of proper forest cover will have a serious impact on ecological balance in our country. Accoding to our estimates, India will be, at least, 3 degrees celsius hotter by 2050. Many of the rivers will be dried; cyclones will be more intense, and there will be a severe water and food shortage. The Himalayan glaciers are also slowly melting and there will be a severe ecological imbalance. Hence, if we don't take immediate and urgent steps in this regard, then, we are bound to witness catastrophe. Hence, The Government of India should take it up on a war-footing basis and make it a great national movement.

GOVERNMENT BILLS

MR. DEPUTY CHAIRMAN: We shall now take up the Appropriation (No. 2) Bill. Shri P. Chidambaram.

The Appropriation (No. 2) Bill, 2008

And

The Finance Bill, 2008

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) Sir, I beg to move:

"That the Bill to authorize payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 2008-09, as passed by Lok Sabha be taken into consideration."

Sir, I also beg to move:

"That the Bill to give effect to the financial proposals of the Central Government for the financial year 2008-09, as passed by Lok Sabha, be taken into consideration.

The questions were proposed.

THE LEADER OF THE OPPOSITION (SHRI JASWANT SINGH): Mr. Deputy Chairman, Sir, I have a request to make. Of course, we will do whatever you direct us to do and whatever is the decision of the House is. I personally do not think it is fair for the hon. Minister or for the participants if this important discussion is to start at quarter to one. I am sure, everything that happens in the House is of great importance. But the Finance Bill, in particular, Sir, is about the last of the budgetary processes, and I do believe that both in

regard to the convenience of the hon. Finance Minister as also of other Members, it would be preferable if we had a clean break from whatever the House has done just now and resume this after the break. But I will be guided and diected by whatever you say or whatever the sense of the House is. It is preferable, if we adjourn now, have a break for lunch, and then resume rather it should now.

MR. DEPUTY CHAIRMAN: For your information, I would like to say that in the morning meeting, it was decided to skip the lunch hour. There was a consensus on it. ...(*Interruption*)... Please, please. I am speaking. That is why we have taken it up. Of course, it is with the consensus of the hon. Members.

SHRI JASWANT SINGH: It is fine, Sir, if that is the consensus and the convenience. Sir, I had, in 2004, demitted the Office, which my esteemed colleague, Shri Chidambaram, currently holds. I had then given an assurance that on this particular Ministry, I shall not be speaking. I have had to break that assurance today only because I was not scheduled to be the speaker, someone else was, but, at the last minute, some complications arose and I have to speak. Sir, I am entirely in sympathy with the Finance Minister because for all Finance Ministers this particular Bill, eventually to become a legislation, is the final event in a series of budgetary. So, this is really for the Finance Minister the last of the steps, hurdles, etc., and the odyseey on which every Finance Minister starts in the month of February—this year, it is a bit earlier—quite often goes on till the middle of May. We are, therefore, keeping occupied a very important Minister. This is not a subjective or a personal observation. All Finance Ministers have had to do it. For about six months in a year, the Finance Minister of our country really has to be engaged with the piloting of a variety of parliamentary legislations. Of course, the Parliament is supreme. Of course, it is his responsibility or hers; but it does make me wonder if this is really the most efficient or the best way for us to manage the whole structure and system of the management of the Finance Ministry's functioning. Sir, I will not go into many specifics. I have some broad observations to share with the House as also with the hon. the Finance Minister. All of them are my personal observations. A number of them are not really the Party's considered viewpoint or position, however, all of them are born of the experience that I have gained. I make no claim, Sir, to being either economist or a specialist in this complex esoteric subject. I believe, Sir, currently, what the Finance Ministry suffers from—this particular one specifically—is that there are far too many economists. I really sympathise with the present distinguished incumbent of this portfolio becuase, as it is, Sir, the Finance Minister's job is possibly the most thankless job, particularly in our Government. It is thankless, Sir, becuase everyone—individuals, industrialists, citizens, Ministries—wants something or the other from the Finance Minister and I wonder quite often that the Ministry of Finance, instead of being a Ministry for the management of the country's economy, really becomes a Ministry of patronage-granting. I say this seriously, Sir, because it becomes a very sad devolution of the great importance of this Ministry. Sir, I do not wish to cite names, but it is astonishing if the structure is analysed today of how we are attempting to manage and govern the economy of the country, the hon. the Prime Minister is himself a distinguished international economist but, not satisfied with that, then he has a committee chaired by a former Governor of the Reserve Bank of India. It is called the Prime Minister's Advisory Committee. The Prime Minister has the Finance Minister, Sir. That is the system. I am not, for a moment, questioning why a Prime Minister should not take a decision, but I do seriously question that when you take such decision and have a variety of committees to keep feeding information to only one source, which is the Prime Minister's Office, because the buck doesn't go any further than that, then you are overleading the system. In this particular situation that we have, it might travel a little bit of geographical distance from a particular address in Delhi to another address. To fix responsibility but it

really is theirs. So, if you have a Finance Ministry, I believe another anomaly, which I had, in fact, when I had the responsibility—I voiced it to my Prime Minister—is the Planning Commission. The Planning Commission seriously requires a re-look and a re-definition of its functions. It is structurally, conceptually, organisationally, now not performing what it was required to. It has really become a kind of a pasture where you send out either such of the inconvenient politicians or such of the retired Civil Servants whom you don't actually want to retire but still want to 'not' keep. So, in that process, a lot of people find their way into the Planning Commission. It doesn't do any planning. Annually it ends up where—and this is an annual battle that takes place between the Ministry of Finance and the Planning Commission—the Planning Commission will say, "Okay. Give a State 'X', A, B or C, Rs. 50,000 crores". The Chairman of the Planning Commission, as it happens, which is just simply inherited, is the Prime Minister. It is not a good policy, Sir, for Finance Ministers, as I say on personal experience, to keep arguing with the Prime Minister for more than ten-fifteen days. Now, I have tried but—I say this; it is not a boast—I could not meet the requirements of the Planning Commission and yet fulfil the responsibility that I had to fulfil to the country, the Government and the people as the Finance Minister. I sincerely think we have to re-address this whole thing. You have all these committees. Let me cite, Sir, I share this because I think every possible Ministry in the Government of India has in one fashion or another, altered, changed tack or reformed itself. The Ministry of Finance, in its essential systems, is possibly what the British left us with in 1920s. During the war, they could not do anything; it was just a routine. The whole structure was oriented towards meeting an imperial requirement, and, therefore, the system, the accountancy method are inhereted. I did endeavour to address this question. But before I could reach to any conclusions, I requested the distinguished economist, Shri Vijay Kelkar, to address this question and give us proposals. We need to convert the Finance Ministry as a fit instrument to meet India"s requirements and the challenges of economic management in the 21st Century. How are we to do it? He gave a broad structure and a principle. We did consider it. But before we could go any further, the electorate had decided otherwise and we were out of the Finance Ministry. This is the other thing that happened.

On fundamentals, the structure or the system of management of the Finance Ministry does not really alter. I could find ten differences, for example, with the present Government that you didn't do this, you didn't do this or this, which serve a purpose, but I think a rather limited purpose. This is one aspect on which I will share a few thoughts a little later, but I do think that this is important. Now, I share here, Sir, the basics of what I will call 'reform agenda' and I will then come to the specifics of the Finance Bill proper. Sir, as I said, the organisation, the methods of working and the systems are struck, in reality, with structures and systems of early Twentieth Century, post World War I. We need to address this seriously, and we need to reform it and move into the 21st Century as an instrument fit to meet the country's federal polity and federal requirements of the State. So, the first requirement, the first reform, the first need, and I have always been of this view, is a reform of the mindset, no matter which Government comes into office. If the mindset of all of us, here or outside, and indeed, of course, in the Ministry of Finance, does not alter and we do not become efficiency-oriented and result-oriented and accountable, no matter what we do, we will every now and then face a situation in which we meet such obstacles and pitfalls. Sir, there is one more thought that I would like to share with the hon. the Finance Minister and the House. Sir, the country's economy, in its fundamentals, has shifted gear and we are moving from—what was for the last forty years or so, since Independence, uptil about the early nineties—an

1.00 P.M.

economy of shortages, to essentially an economy of surpluses. The present situation is but, an interruption. It is a question mark. We are already, fundamentally a country, which has already arrived at an economy of surplus. Our mindset, our systems of governance, of excessive control, restriction, not letting the entrepreneurial skill and genius of India flower remain what is was, say, when we had the system of extreme control. We had a rather strange organisation called DGTD. I am sure, a number of hon. Members have perhaps now forgotten what that curious DGTD did. Amongst others what it did was that if you were producing items 'a', 'b' or 'c' and if your licence said that you could only produce ten, and if, by mistake, you produced eleven, then all heavens descended upon you and you had to provide explanation after explanation. Why did you produce eleven. We introduced these multiple controls, killed the entrepreneurial skill because every control serves, spawns, generates with it an underground system. You cannot prevent the genious of India from finding ways. The point is clear enough. Sir, the divides that exist today, the Finance Ministry becomes the Ministry or the instrument, which any Government has, to address those divides or to bridge them and find the answer. I think, the fundamental divide the most painful divide is the rich-poor divide, or the urban-rural divide. I share this with some anguish. A rough estimate given to me by somebody informs me what we are currently spending on gladiatorial cricket contest. They are really today's gladiatorial contests. Earlier, in Roman days, you put gladiators against each other and they were armed with all kinds of lethal weapons, of all variety of horrendous weapons. And, today, you put these 10-20 gladiators, each of them armed with a bat or a ball. When you ask them to kill each other means when they throw balls at each other. I have also played this game quite often. This is not cricket. Now, I am told by somebody. I do not know what the Finance Minister ...*(Interruptions)*... Now, I am not really going to bother the Finance Minister by wanting to give me an exact figure of how much is being spent on this. But, somedbody told me that it is in the region of Rs. 4000 to Rs. 4500 crores. The country is rich enough to spend that kind of money. But, I share a thought with the Finance Minister. I read in the newspapers today that he is imposing some extra duties on cement in one way or the other, or on steel in one fashion or the other. This is the kind of detailed management that any Finance Minister will have to perform. But, that also gives rise to a point which I wish to share after this. Rs. 4000 crores or Rs. 4500 crores of money available in the country to be spent on this kind of gladiatorial contest exemplifies the rich-poor divide, the urban-rural divide. With that kind of money, you could have put up a new cement factory or even a steel plant and addressed the shortages in another fashion. But, this is the mindset and there is a great deficiency or shortcoming in the management of our economy. We talk of physical infrastructure. We talk of social infrastructure. There is such a thing as the fiscal infrastructure, and across the country, it is a deficiency. Now, the Finance Minister gets charged with dereliction of his duty. If a State—we are a federal country—'X', 'Y', 'Z' or any State suffers even a natural disaster, somehow, the responsibility travels upwards. Very curious physics! And, eventually, it is the Finance Ministry that is asked to find an answer. We have to find an answer. It will not work if we continue this kind of sytem because the systems are really not gearing themselves for efficient management.

Sir, here are my specific recommendations. There are difficulties that the Finance Minister, or any Minister, faces. You have to firstly revise the mandate—which is a repetition that I wish to make—and the remit of the Planning Commission. Second, Sir, please separate or integrate foreign trade with the Ministry of Finance because the Ministry of Finance cannot have so many dual functions. Therefore, foreign trade and international relations, when it

comes to the fiscal management of the country, the Finance Minister is required to go to all kinds of very boring international meetings—he doesn't find them boring, Sir, I know. But that is a different matter. Otherwise, they are very boring meetings, endless reading out of prepared speeches in the World Bank, IMF. Most of them say the same thing! Like most of the meetings here in the country, I often used to get confused whether it is CII or FICCI or what, they are all faces exactly the same, same, same! They are all wanting the same thing. And, for how long can the Finance Minister kep saying the same thing? But, be that as it may, Sir, I think, it is necessary for reforms, for efficient functioning, for the Ministry of Finance to have in it—I don't know whether you still have the FIPB with you, because it was a struggle. These are like little vantage points of patronage. सदर साहब, जैसे पहले हमारे मठाधीश होते थें। हर एक अपना-अपना मठ बना लेता था और उसका मठाधीश बन जाता था। अभी एक साहिबान फरमा रहे थे कि वह तो हजारों एकड़ का बना रहे हैं ....(व्यवधान)....

श्रीमती वृंदा कारत (पश्चिमी बंगाल): माननीय कंछल जी बोल रहे थे कि आश्रम बना लेते हैं। ...(व्यवधान)..

श्री जसवन्त सिंह: हम उसको आश्रम कैसे कहें। कहते नाम आश्रम हैं ...(व्यवधान)...

श्रीमती वृंदा कारत: वे आश्रम बना लेते हैं। ...(व्यवधान)...

श्री जसवन्त सिंह: छोड़िए साहब, वह अलग बात हो जायेगी। मेरा ऐसा मानना है कि the integration of essential economic management agencies under one head, outside of the Prime Minister, is vital. What ought to go out of the Finance Ministry, I believe, this is my view: The Finance Minister must shed himself of expenditure control. The expenditure part, you can call it, I think, what the United States call, they have a Secretary for Budgetary management or some such name. But, if you take out revenue and Budget and leave it to a Minister separate from the Finance or the management of the total economy; and he can report, of course; the control must come to the Finance Minister if he is to deliver. Sir, this does not mean that I exonerate or absolve the present Government of all its mistakes. I do not. But, I do sympathise with the Finance Minister. Let me just share one additional point, Sir. I am struck by some observations. Because I am participating in a discussion on the Finance Bill after a gap, I wrote them down and if you permit me, Sir, I will very briefly speak on them. Sir, the Finance Bill, 2008, has, I believe, three major hiccups or problem areas. To my way of looking at it, it makes the processes the procedures more complex than they were even in 2007.

Second, Sir, as NDA, we had tried to introduce, I don't say we succeeded totally, but we had tried to introduce the principle of transparency and equity in tax regime. I can cite some examples where I think there is a deviation. A departure, as part of the management of the policies that this Government has, is acceptable. But a significant departure, which takes you almost in the reverse direction, troubles me.

Sir, the third — this I object to on principle — is legislation to retrospectively amend laws. I will cite a few instances. Any and all retrospective amendment of law, to my mind, is not fair. It makes the citizen or the taxpayer pay a penalty for something that has already finished. The first problem area here is that it is very difficult to combine equity with justice, with needs of the State, which is the problem of tax exemptions. Certain States, for example, came into being. They were new States. They were carved out of big States. They are Uttarakhand, Jharkhand, and Chhattisgarh. They were granted certain tax exemptions so as to enable them to stand on their feet. The tax exemption then attempts to perpetuate itself.

[THE VICE-CHAIRMAN (PROF. P.J. KURIEN) in the Chair]

For example, when Uttarakhand, being a hill State, was granted a basic tax exemption, objection was raised, and quite understandably, by adjoining States of Punjab and Uttar Pradesh, that if you grant this to Uttarakhand then they would suffer. That is a valid point. And yet Uttarakhand too has a valid point when the tax exemption comes and the tax exemption goes. Industries come up and some of them get misused. I agree. Like Haridwar or Dehradun. They are really not the hill area. They have easy access and things get established there. But I am sure the hon. Minister is seized of what I am trying to explain.

There is an example of Sikkim. It is a special example. The hon. Minister I think had tried to help but half-heartedly. What you have done is that you have exempted certain categories of citizens of Sikkim as continuing to be tax exempt but have said that others are not. This is a difficult categorisation to make and it results in a feeling that injustice is being done.

The hon. Finance Minister has introduced a new commodity transaction tax. Sir, the costs of these transactions are several-fold. I would request him to re-address it. For example, I will cite you the problems or perils of having too many committees. There was, for example, the Abhijit Sen Committee. The Abhijit Sen Committee, which was about commodity trade, I am informed, after two years of deliberation came back to say that they could not decide whether it was good or bad. For two years, the Government stand still; for two years, they keep waiting as to what is going to happen and what should they do. Some specialists are looking at it. Theoretically and practically also, the Ministry of Finance itself is aspecialist Ministry. I am in principle opposed to this frequent assigning of responsibility or cannoning off to other committee. Now, after two years, the Abhijit Sen Committee says, "Sorry, we cannot decide what is wrong".

There is then the third point which is about income tax exemption to refineries. It is an amendment to sub-section 9 of section 10 B. It is very confusing. Let me see it again. Sub-section 9 of section 10B of the Act removes the income tax exemption available to all new refineries set up after 1st April 2009.

Sir, all private refineries will be up before the due date of April 2009. The Public sector refineries being public sector who have to operate as public sector, and therefore, they will not be up. So, you are then giving benefit — I don't mind if you give benefit to the private sector — but I think, you should re-look that in the process of giving benefit to the private sector, the public sector because they are public sector, therefore, more laggard in execution, they get denied.

SHRI P. CHIDAMBARAM: It was amended yesterday.

SHRI JASWANT SINGH: Oh, it was amended yesterday! That goes to show how laggard I am, Sir! I think, possibly also, this systemic failure of the entire system—because I should have really been alert. But I wasn't even to participate in this discussion. It came to me at the last minute, and I am trying to share thoughts, as general as possible. I do request, Sir. I think, the income tax and the indirect tax... (*Interruptions*)...

SHRI P. CHIDAMBARAM: The three public sector refineries which are under construction, they have been exempted, plus, there is a new sunset clause for them. The three public sector refineries under construction will also be covered.

SHRI JASWANT SINGH: Sir, hon. the Finance Minister is a lawyer of a great distinction, and he is also a specialist in tax laws. Therefore, when he explains, what to him is crystal clear is, to a layman like me, very muddy. But also, as I said, it does also show that an

amendment was needed. That leads me to the substantial part. It is so complex. Out laws are so complex, the totality of our income tax and indirect tax laws are so complex that possibly, we provide huge incomes and huge benefits to all tax lawyers and at huge costs, citizens do not get the benefit of tax laws. Now, I have not got a straight or immediate answer to this. But it is an aspect that all of us, irrespective of who the Finance Minister is, which Government it is, if we do really wish to become a 21st Century economic power, we have to simplify. You make it more complex and it becomes absolutely turbid. You won't be able to see into what is intended. It is no good having such laws.

Sir, I must then go to, oh, this is complex beyond hope! This is the Banking Cash Transaction Tax. You take out ten rupee, you pay tax. You go and deposit ... (*Interruptions*)... I am just illustrating.

SHRI P. CHIDAMBARAM: You are giving a wrong illustration. How many individuals in this country take out 50,000 rupees per day from per bank account?

SHRI JASWANT SINGH: Sir, I have not got the statistics of that. But I do believe that if the country — we cannot be both; we can't have a thriving and a bouncing economy, and we cannot thereafter also have what the hon. The Finance Minister says, not many people signing cheques of 50,000 rupees. I am sure, a very distinguished Member of this House —I do not wish to name him—he is also a distinguished industrialist. His executive must be signing many thousands of cheques of 50,000 rupees everyday! If you feel so, that is all right. If you feel, that is all right, but I think, it is something to my mind which needlessly complicates, Sir, and it is an additional weapon of torture which the tax authorities get against citizens.

SHRI P. CHIDAMBARAM: the hon. Leader of the Opposition, I may inform you that there is no tax if you sign a cheque. Jaswant Singhji, there is no tax if you sign a cheque. In fact, it is intended to encourage people to sign cheques. It is only intended to cover people who are drawing large amounts of cash everyday from a bank account— and, then, it goes into this huge black hole of unaccounted money into the country and into all kinds of nefarious and illegal activities. The BCCT has been an effective instrument for us, and if you wish, in my reply, I will give you, without mentioning names, at least a dozen caseswere the BCCT has led us to huge money laundering cases which have been discoverd, taxed, and are being prosecuted.

SHRI JASWANT SINGH: Of course, Sir.

SHRI ARUN SHOURIE (Uttar Pradesh): Can I ask just a pointed question, Sir?

SHRI JASWANT SINGH: Yes, of course.

SHRI ARUN SHOURIE: Sir, this is a very important point that the Finance Minister is, actually, giving his jsutification over many Budget Speeches for the particular tax, that, because of the tax, information which would not, otherwise, become available, becomes available to him. Now, Sir, let us say that somebody takes out large amounts of cash repeatedly. Actually, the information about all those transactions, because of computerisation and other things that have been going on, is already available.

SHRI P. CHIDAMBARAM: That was not available earlier.

SHRI ARUN SHOURIE: Just one second, Sir. Therefore, If you collect a tax on it, on each time he draws how does it give you more information than you would, otherwise, have? That is the question to which, we expected, you will reply. And actually speaking, you

have, probably, been so kind as to suggest in this Budget speech that you would be relooking at this particular tax. If it is so useful, why are you not looking at it?

SHRI P. CHIDAMBARAM: Yes, I will answer it. I am grateful. Even when I introduced the tax, I said, "Until other instruments are in place, I am obliged to impose this tax". Now, we have got the Prevention of Money Laundering Act; we have got the FIU Unit; it is completely computerised now. We have got a reporting system from a large number of reporting authorities. If you read the Prevention of Money Laundering Act, you will see tht a whole chapter is there. We have got an FIU-IND Unit, and that collects all the information from all the banks. That has got a large number of reporting authorities, including Registrars' and Sub-Registrars' of documents. I can give you a list of reporting authorities. All that is in place now, and since it is in place now-last year, I said, "I hope by next year, I will be able to withdraw the tax," —now, I have said, "All these instruments are in place, the tax will be withdrawn at the end of the year."

THE VICE CHAIRMAN (PROF. P.J. KURIEN): Okay.

SHRI P. CHIDAMBARAM: This tax has been one of the most useful taxes. I am willing to share, with the whole House, cases, and I am willing to share, with the Leaders of the Opposition, pivately, even the names of the offenders; I have no problem on that.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Okay.

SHRI JASWANT SINGH: Sir, I am not, really, consumed by curiosity about which particular offender or delinquent the hon. the Minister or the Finance Ministry has been able to unearth. But I have a fundamental difference on this because I believe that the more controls you have on a citizen, the less liveable you make a citizen.I do believe in a greater trust. What you are saying is that yes, it has to be come after I have first cleaned out the table. We do face the same problem. I approach it differently, but I do not want to speak in first person, sigular. The Government approached it differently, and we believe and I tend to explain to may colleagues, and so also to the then Prime Minister, let us have trust in he citizen; Let the citizen feel more free. Yes, there will be delier quents; yes, many of them will continue to do that, which they ought not to do. But in three years' time, all of them will see the benefit of being more open. The hon. the Minister and the Government that he represents, has adopted a different path. I have differences, but I won't labour, Sir. For example, on search and seizures, i, personally, find, in principal, search and seizure operations as uncivilised. They are not the hallmark of any civilised country. They impinge on a citizen's privacy. If a citizen is delinquent, there must be other answere. We face exactly the same. Earlier, the right to search and seizure became an additional instrument of, rather, lowly, personal vendatta against taxpayers and citizens. The right to search and seizure was given to officers of a clerical rank. All that I could do-not I, the NDA could do-was to raise the level of the officer that grants these exemptions. Here I find that the hon. Minister has—I don't recollect the sections by-heart-under section 153A, which is in respect of search and seizure proceedings, interestingly, made these things retrospectively with effect from June, 2003. That is my understanding. You have a retrospective legislation or law. There is a provision about hospitals and charities. I would not go into the details. But in the case of hospitals in two tier cities and provisions for taxing of such hospitals, the exemption is only for profits made for five years. I think personally-it is my personal viewpoint; you can reject it if your experience teaches that your are right-that India is desperately in need of more and more

hospitals in mofussil areas. If you let them have tax benefits, yes, some of the tax benefits might get siphoned off elsewhere. But I am all for extension of education; I am all for extension of hospitals and health wherever it can go. It is a beneficial thing. The citizens come forward. If you grant them a tax exemption and a few hundreds crores of rupees this way or that way, is denied to our Consolidated Fund, it does not make us any poorer as a country. I have not read the enactment in detail. I am yet to do that. But in the new customs duties, six life-saving drugs have been withdrawn. Of these, two are made by just one multinational.

SHRI P. CHIDAMBARAM: What exemptions are you talking about?

SHRI JASWANT SINGH: You have withdrawn six life-saving drugs. I will read it out. The customes duty on six life-saving drugs was withdrawn.

SHRI P. CHIDAMBARAM: That is good. Has the exemption been withdrawn or has the duty been withdrawn?

SHRI JASWANT SINGH: Of this, there is an anti-asthma drug that has been clubbed with anti-cancer drug. There are some anomalies. I will explain this.

SHRI P. CHIDAMBARAM: I just want to clarify it. Have I imposed a duty or have I withdrawn the duty? Are you saying that I have withdrawn the duty or withdrawn the exemption to the duty?

SHRI JASWANT SINGH: It is my information that the exemption has been withdrawn.

SHRI P. CHIDAMBARAM: The exemption has been withdrawn, I think that may not be correct. But I will check.

SHRI JASWANT SINGH: All right. Then, in regard to the whole philosophy governing the customs duty regulation, we were moving from what we inherited, from 45 per cent to 20 per cent.

SHRI P. CHIDAMBARAM: I have just now the answer. I think, my information is correct. The customs duty on six specific drugs has been reduced from ten per cent to five per cent with nil CVD. In fact, I have given a benefit to these drugs so that they can come into the country at a cheaper cost. The customs duty has been reduced from ten per cent to five per cent with nil CVD by way of excise duty exemption. These drugs are used in the treatment of cancer, diabetes, asthma and hepatitis-B. But if there is some error in some notification which your friend or advisor told you, I am willing to correct it. But the idea is not to impose a burden.

SHRI JASWANT SINGH: He has formulated the law; he has formulated the Bill. I am not the author of the Bill. I would be wrong if I say that I have read it in such detail that I can assert. If what the hon. Minister has said that he has not withdrawn, he has actually reduced and these are all life saving, that is a good thing. We would welcome it. (*Interruptions*). He has done it. I didn't do it. (*Interruptions*).

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI V. NARAYANASAMY): He is welcoming it.

SHRI JASWANT SINGH: Sir, I come to my 'worry' points. I think the expenditure on oil, food, fertilizer and subsidies is being really financed by issuance of bonds. Now that is

borrowing without actually showing it in the budgetary figure. Sir, the 'Budget At a Glance' informs us that it is only Rs. 18,757 crores as an off-budget item. That is under RE 2007-08. Now this is what I call the veil of fiscal obscurity because we are also faced here by the consequences; if you keep that out as an off-budget item, then you, of course, are side-stepping the requirements of the FRBM Act. There is one more thing you are doing you are letting the veil descend, and the country will not really know how much we are spending and the consequences of a fiscal overhang come a year or two years or sometimes three years later. Sir, I am struck. The hon. Prime Minister today or yesterday was counselling all the Company Executives, on curtailing lifestyles, I mean, propounding Gandhian theory. It does not carry conviction because the demonstration of such a lifestyle is not really visible in the Assembly in which we live and work and also the executives are a minor, miniscule minority. It is the totality of the atmosphere I cited just now, that roughly Rs. 4,000 to Rs. 4,500 crores are being spent on the cricket gladiatorial contest, companies spending as much as Rs. 450 to Rs. 500 crores on, what we were told, auction of individuals. Earlier also, in Roman Times, gladiators were really auctioned as transactions between one and another. Here Sir, let me share with the hon. Finance Minister, what I believe, is a fiscal trap into which we are going. The current situation in which there is roughly an expenditure on agriculture cited at about—not visibly enough on agriculture—Rs. 10,000 crores. On pay hike, consequent upon the Sixth Pay Commission, the accurate assessment will come to, at least, Rs. 30,000 crores and the oil bonds, if I am not mistaken, are of Rs. 10,000 crores. The figure could be a little different. We are now talking of roughly Rs. 50,000 crores.

SHRI P. CHIDAMBARAM: More than that.

SHRI JASWANT SINGH: More than that. If it is more than Rs. 10,000 crores, then, in fact, the problem is of a larger dimension. I believe that the total food subsidy that we will end up with as a country, or the Finance Minister will end up with, by my reckoning, Rs. 58,000 to Rs. 60,000 crores. That is the food subsidy. Sir, the bank loans, by the Finance Minister's own announcement are of Rs. 60,000 crores; then the oil bonds, he says, are more and, then, on fertilizers, there is very big deficit which is coming. I have here with me a document which is an indirect complaint against the hon. Finance Minister on what he has allocated to fertilisers. I am not making the complaint. It is one of your colleagues. It is addressed to the Prime Minister. "You may kindly recall that at the time of finalisation of Budgetary Estimates, 2008-09, I had raised my serious concern regarding inadequacy in the provision of fertilizer subsidy in Budgetary Estimates 2008-09." And, it goes on. He says, "In the first week of March, I requested you to kindly convene a meeting to discuss the issue." Then, the Secretary, Fertilisers, sent a detailed brief because the Prime Minister's Office wanted it, etc. I would not test the patience of the House in mentioning it in detail. But the figures that come out are alarming. According to the Fertilisers Minister, there has been a phenomenal increase in the prices of raw materials and finished products required for the manufacture/ import of all fertilizers. Resultantly, which is the interesting thing is, the requirement of fertilizer subsidy is currently estimated at Rs. 1,00,714 crores, as against which the available Budget is Rs. 30,986 crores. Since there is a carry-over liability of Rs. 5,000 crores, it means that the allocations effectively will only be Rs. 25,986 crores. This, we find, insufficient. It goes to caution about the Kharif this year, that is, 2008. Out of these Rs. 1,00,000 and odd crores, he has demanded that, at least, Rs. 70,000 crores are to be made available in cash only, not bond. And, I have already addressed a letter, so says your colleague, to the Finance Minister. The Finance Minister, obviously, cannot invent money; no Finance Minister can. But the point, which I am trying to make, is that these are various aspects. Firstly, a veil

of fiscal obscurity, which does nor give a correct picture to the country. Secondly, I believe, if we do not address this question of fertilizer and food simultaneously, because we have today a situation of food inflation, possibly the worst kind of inflation, that can hit a country of 115 million people. Food inflation is the killing inflation if, along with that, in the coming months, we have a fertilizer famine,—if there has to be a fertilizer famine and a simultaneous food inflation—then, we have entered an area of extreme difficulty. These figures add up, by my reckoning, to a fiscal overhang of roughly Rs. 3,00,000 crores. At Rs. 3 lakh crores, all our figures will go awry, and I don't need to point out to the hon. Finance Minister as to what the consequences of such a fiscal overhang combined with food inflation, combined with a fertilizer famine, will be.

Sir, I conclude with just one piece of a very friendly advice to the distinguished Finance Minister. I have know, him for several decades now. This is actually a sentiment expressed by a very distinguished former Chancellor of the Exchequer. He said that there are only two kinds of Finance Ministers; those who leave on their own and those who are dismissed or sent out. The hon. Finance Minister is a very intelligent man. I am sure he realizes that it is best for him to leave before he face the consequences of all the many acts of fiscal imprudence, which we have examined today.

SHRI JESUDASU SEELAM (Andhra Pradesh): Sir, I would like to congratulate the hon. Finance Minister for giving a core thrust on growth with all-inclusive perspective. Sir, I am not going to deal with all aspects, But I would like to express some concerns while highlighting the various efforts of the Government. I will do it by way of reflecting on the allocations made for different sectors in the Budget Speech and which are reflected in the Finance Bill. Sir, the growth is the order of the day. Everybody talks of the growth. But, my concern is, what is this process of growth and what is the pattern of this growth? Does it reflect the dignity and fraternity of all members of this great country? Does it reflect justice to everybody? Does it reflect equity, equity in the sense, equality of opportunity, as was pointed out by the hon. Finance Minister? I am talking particularly of the vast sections of the poor in this country, because this Budget characterized by various flagship programmes touching on the poverty geography of this country with an intention to remove poverty and alleviate the sufferings of the vast masses. They are affected not only by various internal socio-economic conditions but also by the adverse impact of globalization. I am especially referring to some of the occupational castes and communities about which we have discussed in this House. They are mostly in the unorganized sector, comprising of various Backward Classes, Scheduled Castes and Scheduled Tribes and minorities, which form majority as they are around 75 to 80 per cent of our population.

Sir, I compliment the hon. Finance Minister for his special emphasis on ten important flagship programmes, like the *Sarva Shiksha Abhiyan*, Mid-Day Meal Scheme, the National Rural Health Mission, the ICDS, the NREGS, the Jawaharlal Nehru Urban Renewal Mission, the Drinking Water Mission, the Sanitation Programme, apart from the Rural Housing, and also the focus on youth and employment through skill development and improving the agrarian sector through AIBP. And, of course, there is the Rain-fed Area Development Programme and infrastructure like power development through APBRP and NHDP. There are also programmes for the development of rural infrastructure, including the construction of roads and the drainage facilities in rural India. All these programmes have been initiated with a good intention. But, what I would like to say is that the focus is missing. As we have been observing in the implementation of these programmes that there seems to be some

sort of reservation, some sort of slackness and some sort of psychological reductionism instead of going through ruthlessly for these programmes. It is observed that there are certain gaps. The moneys are not released on time; the moneys are released at the end of the financial year, and thereby restricting the outreach of these programmes. Sir, I would like to draw the attention of the hon. Finance Minister, who is now leaving; I have been doing it for the last four years on various important matters and this country needs a focussed attention on these, at this point of time.

Yesterday, we discussed the textiles sector, we discussed industry; in this House, we also discussed agriculture, we also discussed the working of the Ministry of Rural Development. I have rightly pointed out various gaps and some concerns. Rightly, Sir, this has been reflected in the allocations. Without money, these concerns cannot be addressed too. I would like to emphasise these concerns because we need money and it should be qualitatively applied for the outcome which would result in the growth. When you say 'inclusive', it is not merely are expression. It has to be loaded with the dignity, justice and equity. Sir, we are interested in these terms because each of these terms has a meaning to the lives of the poorest in this country. Specially, I am talking about these gaps because if you talk of any rural scenario, these groups feel marginalised, feel neglected. When we talk about the textiles sector, why do we call it 'textiles sector', why not we call 'weavers sector'? You have introduced two programmes—Technology Upgradation Fund and Intergrated Textile Parks. Sir, Rs. 60,000 crores loan waiver scheme is applied to the farming sector. The handloom weavers, more or less in the same, status are adversely affected, going by the suicides we have seen in Karimnagar and Prakasam disricts of Andhra Pradesh. Sir, the weavers' community is scattered all over the country.

In the south of India, mostly, the weavers are from the backward sections. In Bihar and U.P. region, they are from Muslim backward communities. In Rajasthan, Gujarat, Delhi, in the north of India, they are from the Scheduled Castes. So, the weaving community comprises largely of the backward classes and some of them are from the Scheduled Castes. They have been agitating that the relief scheme should be applied to them so that they are saved from the clutches of the situations leading to suicide, the large sums of loans they are to pay. This is one gap I would like to impress upon the hon. Finance Minister. This needs to be addressed.

Sir, about the flagship programmes, they are being given sufficient allocations. But I would like to mention that the hon. Finance Minister has forgotten to use terms like 'special component plan' for Scheduled Castes and 'tribal sub-plan' for the Scheduled Tribes. This was done by Smt. Indira Gandhi in 1980. Keeping in view the problem associated with the nexal menace in those days, she formulated two important programmes for the Scheduled Castes/Scheduled Tribes, calling them 'special component'. Sir, over the years, the very spirit of the programme got diluted.

After 1996, the programme is slowly being watered down by naming it as a sub-Plan. Special component plan is a component of a Plan. A Plan will be complete when all the components are there, whereas a sub-Plan is definitely a subordinate Plan. There are number of Members who, being the representatives of these communities, have been demanding that population equivalent percentage of Plan funds should be separately earmarked for meeting out the genuine needs of these populations. For instance, we met the Prime Minister and apprised him. We said that the allocation made is roughly around one per cent of Plan outlay and that it is not 25 per cent, because numerically, Scheduled Castes/Scheduled

Tribes put together come to 24.8 per cent. So, that is not reflected in actual allocations. Time and again, we are requesting the Cenral Government for doing so. The Central Government, on the other hand, every year when it approves the Plan, outlays for individual State Governments, insists that the population percentage of equivalent to Plan fund should be earmarked by various State Governments, but at the same time, the Centre is failing to do so. Firstly, you have shown two different heads, (a) and (b). In Part (a), you have mentioned the schemes, which are directly benefiting the Schedule Castes of Rs. 3900 crores and in part (b) you have said that 20 per cent of that benefit of the schemes will accrue to the SCs and STs. So, this looks ridiculous because you are supposed to pool the funds. What we have been submitting is that in actual terms it is a misnomer, you are not allocating not more than 3 per cent for the SCs/STs from the Plan outlay. The hon. Prime Minister said that all the other Ministries are also spending. Sir, this is what we are requesting for that you kindly pool up before the Plan funds are allocated . Now, the Plan is of Rs. 1,79,000 and odd crores, call it Rs. 1,80,000 crores. You say some Ministries cannot allocate funds for the SCs /STs for their development, I agree,—Divisible Pool and Indivisible Pool. Even if you consider that Rs. one lakh crore is the Divisible Pool of the Plan component, you are supposed to earmark Rs. 25,000 crores from that amount and keep it at the disposal of one Ministry or one agency or with the Planning Commission as a special component plan and tribal sub-plan and the plan for the specific needs of the SC/ST population. While planning, you ask the concerned Ministries to implement it by using that portion of Plan funds and report compliance. In this country, there is no dearth of schemes; in this country there is no dearth of money. The problem is with implementation and monitoring. So this institutional framework we have been demanding from the Government for the last ten years has not been set up. Unfortunately, everything becomes a cry in the wilderness. On the other hand, you are trying, say, in the name of 'inclusive growth' you are trying to leave out the identity of a specific programme. Sir, these sections do suffer. The Backward Classes and the Scheduled Castes suffer in their combined strength, because they have the same socio-economic difficulties. Mostly the difficulties of the Backward Classes are linked with one or the other occupation and tribal people have the locational problem, cultural identity problem, whereas the Scheduled Castes have the social disability. Sir, it is shameful that even in this age when India is competing to become a super power, Dalits are forced to eat human excreta, people are asked to carry the night soils on their heads. The other day examples of Kanpur and Gujarat were discussed in this House. Sir, this has been the social disability these communities have been suffering from centuries. It is difficult to equate everybody saying that all-inclusive growth should also integrate everybody. It is fine, Sir. It is okay that we talk of 'all-inclusive growth'. What happens at the operational level? This all-inclusive growth is leading to the exclusion of the most marginalised sections and the people in the unorganised sector. Sir, we have with us the Sengupta Committee Report. They have taken a lot of pain in preparing that Report. They have consulted a lot of people and so much of time and energy has been spent on that Report. Sir, there is a need to discuss that Report and implement the measures suggested. It will help in ameliorating the conditions of the vast majority of the people in the unorganised sector in this country. Your allotment is fine but you see to it that it reaches the last man. Your all-inclusive growth should follow a bottom of approach, starting with the lowest. But in the process of implementing machinery, while taking the fruits to the ground you are missing the tree for the woods. This is the concern. I think, this area needs to be highlighted. Even in the flagship programmes certain points I would like to make. Sir, the DPEP was called the *Sarva Shiksha Abhiyan* by the earlier NDA Government. They gave Vidya Volunteers. Sir, can you have Vidya Volunteer as a substitute for a regular teacher? Gone are

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the days when the teacher is totally an exemplified citizen before a student. Yes, you have created Vidya Volunteers because something is better than nothing. But there is a lot of disparity in the quality of the schools. You have Vidya Volunteers, under *Sarva Shiksha Abhiyan*. You have Novadaya Vidyalayas, you have Kendriya Vidyalayas, and you have what are called the Kasturba Gandhi Balika Vidyalayas. Sir, can't there be standardisation? You are breeding inequalities Government schools are also there. Municipal schools are there. You have created a hierarchy of school structure with a multi-quality teaching. Then, everybody in the villages prefers to send children to public schools. Sir, you are spending a lot of money. Your intentions are good. But there should be a uniform school education in this country. Secondly, I would like to say that the Scheduled Castes and Scheduled Tribes students have been demanding that they want residential schools. You said in the budget speech that 6000 model schools would be started from this year and you have provided a token of Rs. 650 crores. This tokenism will not take you anywhere. Sir, you have mentioned three main programmes for the Scheduled Castes, Scheduled Tribes and the backward classes in the Common Minimum Programme. None of the three programmes have taken a concrete shape even till today. Sir, it is the last year of the Government. What is the message we are sending to the vast majority of the poorer sections of the society? I would like to highlight some of these things. Similarly, take the example of ASHA in the Rural Health Mission. Sir, you know that the primary health centres and the sub-centres and the district health hospitals are the backbone of the primary health care system. You have ASHA. Of course, one good thing the Rural Health Mission has done is, that there is a scheme for posting a doctor in a particular location with a flexible salary. That is helping us. (*Time-bell*). I am sorry I have to take ten more minutes. I don't know what is the time you have given me.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Take five more minutes and not more than that because there are two more speakers from the Congress Party. That is the problem.

श्री सदानारायण पाणि (उड़ीसा): सर, उनकी पार्टी के ज्यादा सदस्य अभी यहां नहीं है। आप देखिए, how the Opposition is responsible. हमारी संख्या उनसे ज्यादा है।

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Mr. Seelam, you take only five more minutes.

SHRI JESUDASU SEELAM: Since my time is limited, I would like to come to employment and rural enterprise. Sir, we have discussed the agricultural sector. Majority of the rural households have very small sectors because earlier when the Green Revolution was there, the tiller or the landowner himself used to cultivate. Now, what has happened is, with more remunerative avenues available at the cities and the district headquarters, the landlords have migrated and took to real estate business, contracts, etc. taking advantage of the changing economic situation. The erstwhile labourers or sharecroppers have now become tenants. The tenants have been experiencing a lot of problems. Banks are saying that they are not bankable. They do not give bank credit. They do not get cooperative credit, because they are not the owners of the land. So, they have to depend on financial institutions. Whenever there is a natural calamity, the compensation is paid to the landowner, not to the person who is cultivating the land. Sir, there should be a record indicating who is cultivating the land and the compensation or the relief package has to be made available to him.

Secondly, Sir, I come to the allocation made for medium, small and micro enterprises. In villages, majority of youth either studied Intermediate or pre-Degree. But, they have no employment. So, there is a need to impart massive employable skills to this vast majority of unemployed. Sir, mostly, these people belong to poorer sections comprising of BPL families

and the APL families. As was pointed out by Dr. Sengupta, 3-4 days ago, there is a very, very thin line between the BPL and the APL. In fact, the Government of India's APL is considered as BPL by some of the States. What we are saying is, you develop entrepreneurship for these communities by imparting employable skills in view of vast majority of technical people are required in the construction industry, in highways, in civil aviation, etc. So, we need to identify these boys and girls from the rural areas and give them employable skills. This has to be done on a massive scale, not as a token as has been proposed in the Budget.

Sir, with regard to PDS, I agree with the points made out by Dr. Sengupta that APL category also needs to be subsidized, because they are also experiencing food shortage.

Last but not the least, I would like to say a point on the codification bill. This is a part of the NCMP. The NCMP promised that the Government would bring in a Bill. The Bill pertaining to reservation is pending before the Rajya Sabha. A Committee was constituted. The Committee has suggested that the draft Bill was teethless as it does not have any punitive provisions. So, I would request that the Bill which are pending, especially, the reservation Bill must be expedited.

The next point is, the Ministry of Social Justice, the Ministry of Tribal Affairs,, the Ministry of HRD, the Ministry of Health and the Ministry of Micro, Small and Medium Enterprieses may kindly be requested to draft plan, under the Special Component Plan, Tribal Sub-Plan, for the backward classes and implement the need-based programme.

At the end, we don't require a larger allocation. We require the basic education. Please universalise Primary education for the poorest children. Unfortunately, when I was a student, there was no limit for pre or post-metric scholarship.The scholarships have now become allocation driven. They are denying them the opportunity to study and come up. There should not be any limit on a number of pre-metric and post-metric scholarships for the disadvantaged and marginalised sections of the society.

This is what would like to say.

श्री कमाल अख्तर (उत्तर प्रदेश): सर, फाइनैंस बिल पर चर्चा हो रही है और कोरम पूरा नहीं है। आप देखिए। ...(व्यवधान)... यह बहुत महत्वपूर्ण मामला है। ...(व्यवधान)...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): No, no. Sit down. There is quorum. Take your seat.

SHRI ARJUN KUMAR SENGUPTA (West Bengal): Sir, I am so happy that you have given me a chance to speak to the Finance Bill, 2008.

I am sorry that the hon. Finance Minister is not here. The issues that have been raised, particularly by Mr. Seelam and the issues I am going to raise and I am sure that other hon. Members would also raise similar issues deserve his full attention. But, these issues are the heart of the matter of financing development. It is not an issues whether the Transaction Tax should have been reduced by 5 per cent and 10 per cent or things like that. On those issues, we can go on talking indefinitely. But, there is a basic issues that Mr. Seelam has raised which should be considered. I am sure, Mr. Vayalar Ravi, who is sitting here, will take these to the hon. Finance Minister. Mr. Ravi, you have the responsibility of the Finance Minister, now. That is not here. These things may have to be transmitted to him so that he responds, because there is a tendency of the Finance Minister not to repond to these basic issues, such as, raised those by Mr. Seelam.

My first point is, that the hon. Prime Minister has recongnized that our Commission NCEUS has reported—I am sorry to point out that but this has been reported all over the country—that there is a big divide in the country as of 2004-05. Seventy-seven per cent of the population is abjectly poor. Only 23 per cent of the population is rich. They are growing fast. The Government came to power with a clear assurance that they would be formulating policies and looking after those 77 per cent people. And, it is this which will be the touchstone of the achievements of the Finance Minister. Has it been done? It is not a question of a particular report ending at 2004-05—the year when the elections took place; the year when this Government came to power-but only to learn from the experiences of the past, what the NDA Government had done, and on the basis of which the whole electorate was galvanised to reject the 'Shining India' glow. The report has clearly categorised those things. One major finding of the Report is that unless you address specific programmes to the specifically destitute people, they don't get the benefit. 'Trickle down' does not work. It has not worked for 15 years. There is no reason for it to work in a system where everybody is motivated towards profit. So, you have to have targeted programmes for these specific people—the Muslims, the *dalits,* the OBCs, and also uneducated, illiterate, unhealthy, under-nutritioned, all together—as these specific people are not only income-poor—they don't earn more than enough to even get Rs. 20 comsumption—but they are also socially exercised. And, the final, the most important point is that they are also mostly unemployed. And, when they are employed, they are working in areas, which have no security, no minimum wages, no service conditions. This is the state of our 77 per cent population. We must talk about them and discuss whether we have actually done anything for them or not. Mr. Seelam talked about the Scheduled Castes and the Scheduled Tribes. It is the most important question today, whether we are doing enough for them. I would like to point out to this august House that it is a very good idea that we are talking about the reservation-affirmative action. That has to be done because this has something got to do with dignity. But our finding is that the most important problem that the Scheduled Castes and the Scheduled Tribes people are facing is that they don't have jobs, they don't have work. They are either unemployed or they work as casual labrouers, without any security wages. So, we have to create a situation where they will get jobs. And, that is the kind of problem that we have to consider in our policies. For the purpose, I would like to talk about a very specific scheme. This has been discussed in our Common Minimum Programme. Fifty-eight million units of non-farm activities, in our country, are there that employ less than 10 people, with about five lakh to twenty-five lakh rupees capital. About 94 per cent of them have a capital of five lakhs. If you include 25 lakhs, it will go up to 98 per cent. They are totally excluded from the financial system. What is the inclusive financial system that you are talking about? They get only 4 per cent of the net bank credit, 2.2 per cent or if you talk about capital below Rs. 5 lakhs. These are excluded people. They are outside the ambit of all that is happening in the name of reforms, all that is happening in terms of financial expansion, not to talk about the great things that are happening all over the world. What are you doing for them. What are we doing for them? This was not just my Committee's recommendation. There was a Committee that was appointed by the Planning Commission under the Chairmanship of Shri Raghuram Rajan, who was earlier the head of the IMF research team. Please do read that report. He, categorically, states that exclusion is the most important problem of the financial system in our country. He has given recommendations which are somewhat different from ours because he believes that a kind of decentralised market system will give the answer. But, we have pointed out that it has not worked. And, therefore, you have to have mechanisms to see that these people who are

excluded are brought within the system. The only way to do that is to get them refinance, to have the micro-finance institutions, who would give them money, give them credit guarantee and also to see that they are given proper technological services. The Common Minimum Programme went into this questions. They talked about creation of a national fund for the unorganised and informal sectors. In the same way, as NABARD is there for agriculture, SIDBI is for small industries. Sir, this is an issue which has to be discussed. I am not saying that you will have to take only one form. But our Government is not talking about it. There is no mention of this whole thing when the Common Minimum Programme, categorically, states this, and it is the only the first thing which is consistent with the promise approach of this Government and on the basis of which it came to power. Mr. Seelam said that this Government is there for one more year. This is the time for us to recollect what we promised, how we came to power and what have we done for these people.

The credit must go to this Government because they have taken upon themselves that this targeted programme should be there. In fact, during the discussion on the President's Address, we pointed out that a large number of programmes have been given to these people. But, now, the time has come to see that these programmes are actually delivered, implemented and that they are, actually, targeted to the poorest of the poor. This is the Finance Minister's Appropriation Bill, and I am talking about the banking sector. You must provide a financial system so that these 58 million units can get access to the financial system.

Then there is a point about social security. Every time we say this, there is a misunderstanding that there is a Bill, which well take care of the problem. But the fundamental point is that we have to do something to see that people, who are vulnerable, and one illness, or one exogenous factor can drive them to destitution, are protected. This is one social security Service that every individual, belonging to this group, who has voted us to power, every individual who belongs to the 77 per cent of population, in the name of which this party has come to power, has the right to demand that we must have social security. It is a question of entitlement. It is on that basis that our CMP stated working on. It is in front of this country. People have been discussing that for along time. But the only point that comes back to us is that it is going to be costly. There is of course going to be some substantial financial to implication. Yes, we have made all kinds of calculations. We will contribute work on that. But, let me come to this point very clearly. I do not know whether I am right or not. Yesterday in the newspaper I saw that the direct and indirect tax concessions given in the Budget comes to about Rupees 2 lakh crores. I may be wrong. The numbers may not be correct. In fact, this I saw in the morning's newspaper. But, I did some different calculations, on the basis of rule of thumb, on the income tax thing that the Finance Minister has introduced. He has not changed the tax, but changed the slabs. As a result of it, a large number of income taxpayers have really been given major concession. Maybe, all of us are there, but they are not the *aam admi*. They are the common people. They benefitted on the other side of the barricade. To help them, you have to spend Rs. 30 thousand crores. But you not able to provide social security to the 340 million unorganised workers. It is not in the spirit of the manifesto on the basis of which this Government came to power. I want to state this point very clearly. There are several ways of looking at this. There are difficult financial problems. But they have to be settled. They have to be prioritised because the Finance Minister's job is to prioritise from among the different things. Then, the question came about subsidies etc. Yes subsidies, in general, are to be avoided. Especially, when you are talking about economic reforms, we must be able to maintain financial discipline. But

when it cannot be avoided at all, we must be able to priorities as to where shall we subsidise. And that issue is very important today that who were the poorest of the poor people that whom we should actually try to provide. Sir, it is in that connection, let me come to the final point. I have many things to say, but I don't want to get into that. ...*(Time-bell)*... There is the question of inflationary management. It is a major problem. The Finance Minister is absolutely right. To a large extent, this inflation problem is due to the international situation. There is no doubt that in a globalising economy when the world prices are going up, the inflation will increase. We have to stop the inflationary expectation as it may have effect on micro-economic stability and it will create problems for us. But, Sir, in order to face that, if I am a market reformer, which, I think, I am, I will not try to tickle the market prices too much, reducing the import duty, changing the export duty, etc. It is all right if it can create an effect. The main solution will have to be monetary policy and the Reserve Bank of India may go into that. However, the most important point again from the *Aam Aadmi's* point of view is that inflation will be there, which we shall try to control. But when inflation is there, we must protect the poor people. Sir, poor and vulnerable people's consumption has to be protected. For that, we have to expand the Public Distribution System and the Public Distribution System has to be expanded both for BPL and APL categories because the APL category people are also very poor. They are not twelve rupees per capita, but twenty rupees per capita Consumption classes. There can be leakages. I am not saying that the system is leak-proof. That is question of administration.

We have to expand the Public Distribution System. Sir, I raised this issue day-before-yesterday with Mr. Sharad Pawarji. He said, 'now the stocks are better, we shall consider whether we can actually do that. 'But, Sir, this is not the issue. When the stocks are better, definitely we should do. But even if the stocks are not good enough, your first requirement is to establish this Public Distribution System. For which, if you need to import you have to import. But you cannot import at this high price, you have to subsidise and that subsidy is most important. Yes, that day, there was an issue that was raised 'why not you procure from the market, from the farmers?' If that is possible, you should do that. ...*(Time-bell)*... I don't mind which is the source of your expenditure. But we must accept that the Public Distribution has to expand, has to be provided with funding, and, for that, adequate funds are necessary.

Sir, the last point that I want to mention is that the Finance Minister has been very successful in managing the tax system. He has generated substantial revenue. He has generated revenue out of the growth process to which he has made some contribution. We must accept that. But, Sir, the last point is that with this revenue, what are you going to do? Are you going to give more tax concessions? Are you going to give more money to others? Or are you actually trying to use them up for the poor people? This is the question that has to be addressed. ...*(Interruptions)*... With these words, Sir, I conclude. ...*(Interruptions)*...

श्री बृजभूषण तिवारी (उत्तर प्रदेश): उपसभाध्यक्ष महोदय, यह जो फाइनेंस बिल आया है, यह बहुत ही महत्वपूर्ण दस्तावेज है। अभी हमारे नेता विरोधी दल और श्री अर्जुन कुमार सेनगुप्त ने जो बातें कही हैं, उनसे यह बात बहुत ही साफ हो जाती है कि हमारी आर्थिक हालत है, वह ठीक नहीं है। आज जिस प्रकार से विषमता बढ़ रही है, जिस प्रकार से गरीबी बढ़ रही है और हमारी कृषि और उद्योग की हालत निरंतर बिगड़ती जा रही है, बेरोजगारी जिस रफ्तार से बढ़ रही है, इन सब को देखते हुए माननीय वित्त मंत्री जी ने जो बयान दिया है, जो बजट पेश किया है और उसमें जो दावे किए गए हैं, इसको देखने से लगता है कि दोनों में जमीन-आसमान का अंतर है। मान्यवर, मुझे मोर के नाच की याद आती है। मोर पक्षी जब नाचता है, उसके पंख बहुत ही खूबसूरत हैं, तो वह अपने खूबसूरत पंखों

को देख कर आत्ममुग्ध हो जाता है और वह नाचने लगता है। परन्तु जब कभी उसकी नजर उसकी बदसूरत टांगों पर पड़ती है, तो यह जो पक्षी है, शर्मा जाता है। परन्तु हमारी सरकार और विशेष कर ये जो वित्त मंत्री हैं,*। आज जो हमारी मूल समस्या है, वह मूल समस्या हमारी गरीबी है, मूल समस्या बढ़ती विषमता है, और मूल समस्या लोगों को रोजगार देने की है। आखिर क्या कारण है कि हमने इतने बजट पेश किए, हमने खरबों-खरब रुपए खर्च किए और तमाम प्रकार की हमारी दस पंचवर्षीय योजनाएं चलीं, परन्तु आज हमारी आबादी के बहुत बड़े हिस्से की स्थिति में किसी प्रकार का कोई फर्क नहीं आया। जैसा कि माननीय अर्जुन सेनगुप्त जी ने कहा कि जो हमारी आबादी का 77 प्रतिशत आदमी है, जिसको हम आम आदमी कहते हैं और इस 77 प्रतिशत आदमी में समाज का, चाहे आप जाति के आधार पर कहिए, चाहे क्षेत्र के आधार पर कहिए, वह वर्ग आता है, जो सामाजिक दृष्टि से, आर्थिक दृष्टि से और शैक्षणिक दृष्टि से वह सबसे ज्यादा पिछड़ा हुआ है और पिछड़ा ही नहीं है, अगर उसकी रोज की खपत की हैसियत 20 रुपए से भी कम है, तो उसकी क्या स्थिति होगी, हम उसकी कल्पना कर सकते हैं। परन्तु जब सरकार के सामने या वित्त मंत्री जी के सामने ये मामले उठाइए, तो वे सबसे ज्यादा संसाधन का रोना रोते हैं। आप यह देखिए, चाहे शिक्षा हो, चाहे सामाजिक क्षेत्र हो, कृषि हो, अगर वास्तविक रूप से देखा जाए, तो इनमें जो आवंटन है, वह आवंटन की राशि बढ़ने की बजाय निरन्तर घट रही है। जो समस्या है, उस समस्या की गंभीरता को देखते हुए और उससे प्रभावित होने वाले लोगों की आबादी को देखते हुए अगर वास्तविक आकलन किया जाए, जो outlay है, जो आवंटन की राशि है, उसमें गिरावट है।

एक सबसे बड़ी विचित्र बात है कि पहले तो हम भ्रष्टाचार की बात करते थे, मगर इधर हमने भ्रष्टाचार की बात ही करना छोड़ दिया और अब यह हमारी अर्थव्यवस्था का एक अहम हिस्सा बन गया। मैं इस सदन के सामने यह बात कहना चाहता हूं और माननीय वित्त मंत्री जी का ध्यान आकृष्ट करना चाहता हूं कि हमारे देश में जो ब्लैकमनी है, वह हमारी पूरी जीडीपी का 50 प्रतिशत है। यह सबसे ज्यादा generate हो रही है सर्विस सेक्टर में, क्योंकि आज सर्विस सेक्टर का हमारी जीडीपी की ग्रोथ में सबसे ज्यादा हिस्सा है। अभी कृषि का हिस्सा घट कर 17 प्रतिशत पर आ गया है। 25 था, 25 से 19 हुआ, 19 से 18 हुआ और आज स्थिति यह है कि हमारी कृषि का जो ratio है, वह घट कर 17 प्रतिशत हो गया है और सर्विस सेक्टर है, उसका ratio 51 या 51 प्रतिशत से भी ज्यादा है। यही सर्विस सेक्टर है, जो सबसे ज्यादा ब्लैकमनी generate करती है। अगर मैं आपको मोटे हिसाब से बताऊं तो यह प्रति वर्ष करीब 25 लाख करोड़ रुपया जेनरेट करता है, फिर यह रुपया मार्किट में आता है। यह ब्लैकमनी खर्च कहां होता है? यह ब्लैकमनी खर्च होता है रीयल स्टेट में, स्पेक्युलेटिंग ट्रेड में, अपराध और आतंकवादियों को फाइनांस करने में और यह ब्लैकमनी खर्च होता है पूरी व्यवस्था के संचालन को प्रभावित करने में।

महोदय, आज विकास के कामों पर भी इसका असर पड़ रहा है। मैं सदन का ध्यान विशेष रूप से इस ओर आकृष्ट करना चाहूंगा, चूंकि यहां पर जितने भी माननीय सदस्य हैं, वे सीधे जनता से जुड़े हुए हैं और इसलिए वे भी इन समस्याओं से काफी वाकिफ हैं कि विकास का जो पैसा है, वह किस प्रकार जाता है। माननीय वित्त मंत्री जी यहां यह रोना रोते हैं कि हमारा काम केवल आबंटन करना है, पैसा देना, योजनाएं बनाना, मगर योजनाओं के क्रियान्वयन और उनको कंप्लाइंस करने की जिम्मेदारी राज्य सरकारों की है। वास्तव में वह जिम्मेदारी राज्य सरकारों की भी नहीं है, इसकी सारी जिम्मेदारी नौकरशाहों की है। जो नौकरशाह हैं, अफसर हैं, सभी अफसरों की बारे में तो मैं यह नहीं कहना चाहता हूं, लेकिन कुछ जो आईएएस या पीसीएस अफसर हैं या उनके अधीनस्थ जो दूसरे अधिकारी हैं, वे किस तरीके से कमिशन लेते हैं। मान्यवर, पहले तो काम करने पर कमिशन लिया जाता था, लेकिन आजकल एडवांस कमिशन लेने की बात की जाती है। यहां तक कि जो एमपीज़ हैं, उनको भी एमपी लैड्स के बारे में इस चीज़ का तजुर्बा होगा वे जो अपने प्रोजेक्ट्स देते हैं, उन प्रोजेक्ट्स में उनकी एमपीज़ से मांगने की तो हिम्मत नहीं होती, परन्तु कार्यदायी संस्थाओं पर दबाव डाल कर उनसे रिश्वत लेने की कोशिश की जाती है। यह स्थिति भ्रष्टाचार की है।

सर्विस सेक्टर में जितने ऑर्गनाइज्ड या अनऑर्गनाइज्ड ट्रेड हैं, वे अपनी आमदनी का केवल 10% से लेकर 12% ही नम्बर एक में दिखाते हैं, लेकिन उनकी कमाई का जो शेष 80% या 90% है, उस पर किसी प्रकार का कोई टैक्स नहीं है। इसलिए सबसे पहले हमारी मांग यही है, आप कहते हैं कि हमारे पास बहुत सी गैजेट्स आ गई हैं, हमारे पास बहुत सी ऐसी मशीनें हैं, जिनसे हम इस चीज़ का पता लगा सकते हैं, इन्फॉर्मेशन टेक्नोलॉजी ने बहुत डेवल्पमेंट की है, तो क्या आप यह पता नहीं लगा सकते हैं कि जो यह ब्लैकमनी जेनरेट हो रही है, यह कहां जा रही है? कहां खर्च हो

*Expunged, as ordered by the Chair.

रही है? रीयल स्टेट के दाम इतने बढ़ गए हैं, आज कोई गरीब आदमी एक बीघा तो छोड़िए उसकी हैसियत एक धुर जमीन खरीदने की भी नहीं है।

आप गांवों की हालत देख लीजिए। एक-एक इन्दिरा आवास के लिए वे किस प्रकार का रोना रोते हैं और इन्दिरा आवास में जो नियम है, वह यह है कि जिनके पास जमीन होगी उसी को इन्दिरा आवास का लाभ या इसकी सुविधा मिलेगी। लैंड की कीमत बढ़ गई, परिवार की संख्या बढ़ गई, अब बेचारे रहें कैसे? एक-एक कमरे में वे कैसे रहें?

अभी पिछले महीने एक दिन अखबार में मैंने एक खबर पढ़ी थी कि नोएडा में एक प्लाट दुनिया भर में सबसे अधिक कीमत पर बिका। माननीय वित्त मंत्री जी बैठे हैं, जिस आदमी ने वह बिड किया, वह बोली लगाई, कम से कम उसकी हैसियत का पता तो लगाना चाहिए कि वह आदमी कौन है? वह पैसे की व्यवस्था कहां से कर रहा है? उस पैसे का स्रोत कहां से है? क्योंकि मुझे जो सूचना है, उसके अनुसार उस व्यक्ति ने बहुत से बैंकों में कोशिश की, परन्तु अमरीका में जो प्राइम लैंड की मंदी आई, उसको देखते हुए बैंकों ने इतने महंगे प्लाट के लिए फाइनांस करने के लिए उसे मना कर दिया, तो यह ब्लैक मनी है। अगर इस ब्लैक मनी को टेकओवर किया जाए, तो मैं समझता हूं कि कम से कम 11 लाख 31 हजार करोड़ रुपया अतिरिक्त टैक्स सरकार को मिल सकता है। अगर यह टैक्स आप लें, तो आपके जो विभिन्न क्षेत्र हैं, इससे उन क्षेत्रों में आप परिव्यय कर सकते हैं, इसको वहां इस्तेमाल कर सकते हैं, जिससे देश की तरक्की, प्रगति और हमारे आर्थिक विकास की गति है तथा लक्ष्य को दो डिजिट तक पहुंचा सकते हैं, हम वह लक्ष्य पूरा कर सकते हैं। परन्तु असली प्रश्न यह है, महोदय, कि आज हमारी जो संकल्प शक्ति है, जो इच्छा शक्ति है, उसमें जबर्दस्त अभाव है। जैसा कि माननीय अर्जुन सेनगुप्त जी ने कहा कि आज हमारा देश दो हिस्सों में बंटा हुआ है। वे लोग जो व्यवस्था के नियामक हैं, व्यवस्था को चलाने वाले हैं, जिनके पास अपार ताकत, अपार शक्ति, अपार सम्पदा, अपार धन इकट्ठा हो गया है, उनकी इच्छा नहीं है। एक बार डा० लोहिया ने समाजवाद को समझाते हुए कहा था कि हमारे देश में सबसे बड़ी दिक्कत यह है कि जिनको समाजवाद की जरूरत है, उनमें जान नहीं है, वे मरे हुए हैं, वे 77 प्रतिशत हैं—अर्जुन सेनगुप्त जी ने जो बताया—जो 20 रुपए से कम प्रतिदिन पर अपनी जिन्दगी गुजारते हैं और जो समाजवाद की बात कर सकते हैं, खाते-पीते लोग हैं, मध्यम वर्ग के लोग हैं, समझदार लोग हैं, पढ़े-लिखे लोग हैं. उनमें समाजवाद लाने की इच्छा नहीं है। तब आप समझिए कि यह कितना कठिन काम है। एक तरफ वह वर्ग, जिसको जरूरत है, उसमें जान नहीं है और दूसरी तरफ वह वर्ग, जो जानकार है, समझदार है तथा विद्वान है, उसमें इच्छा नहीं है। इस तरह अगर यह विषम परिस्थिति समाज के सामने है, तो यह देश कैसे आगे बढ़ेगा? परन्तु अगर सचमुच ये जो गरीब लोग हैं, 77 प्रतिशत लोग हैं, अगर इनमें जान होती, इनमें इच्छा होती, तो जिस प्रकार की व्यवस्था चल रही है, वह व्यवस्था चल नहीं सकती थी। यह व्यवस्था लूट की है, यह व्यवस्था झपटने की है, यह व्यवस्था हिस्सा मारती है। अभी वित्त मंत्री जी ने टैक्स में जो रियायत दी—यह जो कर-ढांचा है, यह कर-ढांचा हमारी प्राथमिकताएं तय करता है, हमारी प्रवृत्ति को तय करता है, हमारा इरादा क्या है, वह तय करता है। जो बड़े लोग हैं और मध्यम वर्ग के लोग हैं, उनको जो हमने टैक्स में छूट दी, टैक्स में वह छूट क्यों दी? मैं उसके खिलाफ नहीं हूं। ठीक है, आपने टैक्स में छूट दी है। मोटे हिसाब से, अर्थशास्त्रियों ने जो हिसाब लगाया है कि ऐसे हर आदमी की जेब में 4 हजार से लेकर साढ़े 4 हजार रुपए चले गये हैं। यह जो छठा वेतन आयोग है, अगर इन सबको मिला दीजिए, तो कम-से-कम 50 हजार करोड़ रुपए बाजार में आ गए, उनकी जेब में आ गए। यह वर्ग कैसा है? यह वर्ग वह है, जो आत्मपरक है। यह वर्ग ऐसा है, जो आत्म-केन्द्रित है, बड़ा खर्च वाला है, बड़ा शाहखर्च है। इसी के बल पर शहरों की चमक-दमक है, मॉल्स की चमक-दमक है। बाजार में जो आर्थिक गतिविधियां हो रही हैं, इसको चलाने वाला यही वर्ग है। इसी वर्ग की लालच में दुनिया की बड़ी-बड़ी बहुराष्ट्रीय कम्पनियां आज भारत में आ रही हैं। वे हमारी सरकार या हमारे देश पर मेहरबानी करने नहीं आ रही हैं। उन्हें हमारे विकास की चिन्ता नहीं है और हमारी तरक्की की उन्हें चिन्ता नहीं है। वे जानती हैं कि जितना बड़ा बाजार भारत में है, उतना बड़ा बाजार कहीं नहीं है।

एक बार अमेरिकी राष्ट्रपति ने अपने भाषण में कहा था कि हिन्दुस्तान में करीब 30-35 करोड़ जनसंख्या वाला एक ऐसा मध्यम वर्ग पनपा है, जो बड़ा ही शाहखर्च है। अभी माननीय नेता विरोधी दल अपने भाषण में कह रहे थे कि यह जो क्रिकेट मैच है, इस पर कितने रुपए लुटाए जा रहे हैं, इस पर कितने पैसे खर्च किए जा रहे हैं। यह टेलीविजन है, इस पर आप दिन-रात देखते जाइए। आखिर यह पैसा आ कहां से रहा है? चाहे वह कोई सिनेमा वाला लगाए या

कोई शराब का धंधा करने वाला लगाए या कोई और लगाए। यह पैसा कहां से आ रहा है और इस पैसे का क्या हिसाब है, यह तो हमारे पास होना चाहिए? इस तरह हमारे अन्दर इस समय भोग की वृत्ति बढ़ी है। एक तरफ भोग की वृत्ति बढ़े और दूसरी तरफ भूख बढ़े, तो भोग और भूख में हमें कोई एक तय करना पड़ेगा कि हमें भोग को खत्म करना है या हमें भूख को खत्म करना है। हम भूख को तो खत्म नहीं कर पा रहे हैं, भोग को बढ़ाने की कोशिश कर रहे हैं। अगर यह प्रवृत्ति चलती रहेगी तो जैसा कि सब ने भविष्यवाणी की, अगर अमेरिका जैसे एक सम्पन्न देश की यह दुर्गति हो सकती है, तो हमारे और आपके पास तो खाने का भी भरपूर इंतजाम नहीं है। हमारी क्या स्थिति होगी, इसकी हम कल्पना नहीं कर सकते हैं। तो आप सोचिए कि एक तरफ हम ने 50 हजार करोड़ रुपया बाजार में आने दिया, लेकिन मध्यम वर्ग की भोग की वस्तुओं पर किसी प्रकार की रोक लगाने की कोशिश नहीं की।

महोदय, गांधी जी की बात आज कोई नहीं करता, आज धर्म की बात कोई नहीं करता, नीति की बात कोई नहीं करता। आप मंदिरों को देखिए, मंदिरों में चढ़ाए जाने वाले चढ़ावे को दखिए? आज वहां धार्मिक कार्यक्रम कितने टंट-बाट और शाही खर्च से होते हैं। महोदय, गांधी जी ने चार बातें कहीं थीं जिन्हें मैं सदन के समक्ष रखना चाहता हूं। उन्होंने सब से बड़ी बात कही थी कि, "श्रम विहीन संपत्ति, दूसरी बात उन्होंने कही थी, चरित्र विहीन ज्ञान, तीसरी बात उन्होंने कही थी, दया विहीन विज्ञान और चौथी बात उन्होंने कही थी त्याग विहीन पूजा बेकार है।" महोदय, आज ये बातें outdated हो गयी हैं। उन्होंने कहा कि श्रम विहीन संपत्ति चोरी के समान है। आज speculative economy है, आज managerial economy है। एक आदमी उत्पादन करेगा और उसकी निगरानी 20 आदमी करेंगे। फिर जो निगरानी करेंगे उनकी तनख्वाहें बढ़ेंगी, उनकी सुविधाएं बढ़ेंगी, उनके भत्ते बढ़ेंगे। और जो पसीना बहाएगा, फिर चाहे वह किसान हो, चाहे मजदूर हो, उसके लिए हम इतने बेरहम हो जाते हैं और यह भाषण देने लगते हैं कि हमारे देश का श्रमिक, हमारे देश का किसान मेहनत नहीं करता। अगर आज मेहनत का हिसाब हो जाए तो बात समझ में आ सकती है। तो एक तो यह समाज में भोग की वृत्ति आ गयी है।

दूसरे, आज जो संपन्नता आई है, उसने हमारी संवेदनाओं को खत्म कर दिया है। हमारे विचार की शुद्धता को खत्म कर दिया है। महोदय, आज हर तरफ बाजार है और मान्यवर मैं कहना चाहता हूं कि बाजार कभी गरीब आदमी का नहीं होता, बाजार उसी का होता है जिसकी जेब में पैसा होता है , बाजार उसी का होता है जो बाजार को प्रभावित कर सकता है, बाजार उसी का होता है जो बाजार में आकर अपनी हैसियत दिखा सकता है। महोदय, गरीब आदमी के लिए बाजार नहीं है।

दूसरी बात, अगर बाजार केन्द्रित अर्थ-व्यवस्था होगी तो व्यवस्था बिगड़ेगी। इस तरह आप हर क्षेत्र में देखिए, आप शिक्षा में देखिए, हम बहुत दिनों से कहते आ रहे हैं कि हम पूरे जी॰डी॰पी॰ का 6 प्रतिशत शिक्षा पर खर्च करेंगे, लेकिन वह खर्च नहीं कर पा रहे हैं। पहले 3.8 प्रतिशत था और अब 2 प्रतिशत के करीब है। महोदय, जो हमारी प्राथमिक शिक्षा है, उसकी स्थिति क्या है और उस स्थिति में जो "सेस" लगा था या जो शिक्षा अधिभार लगा था, उस अधिभार का 60 प्रतिशत यानी पूरे आवंटन का 60 प्रतिशत हिस्सा, शिक्षा पर लगे अधिभार का खर्च होता है, वह खर्च सरकार नहीं कर सकती। फिर विश्वविद्यालयों की स्थिति क्या है? आज इंटरमीडिएट पास होने के बाद 7 प्रतिशत युवा ग्रेजुएट कॉलेज में प्रवेश पाते हैं। महोदय, आप विश्वविद्यालयों की दुर्गति की तो कल्पना ही नहीं कर सकते हैं। इलाहाबाद यूनिवर्सिटी को सेंट्रल यूनिवर्सिटी बना दिया गया, परंतु उस सेंट्रल यूनिवर्सिटी की क्या स्थिति है? वहां की जो एक्जीक्यूटिव काउंसिल है, वह कांग्रेस पार्टी की कमेटी बना दी है। आप एक नया पैसा नहीं देते। आज विश्वविद्यालयों में गुणवत्ता नहीं रह गयी है। आज उनके शोध की प्रामाणिकता या गुणवत्ता नहीं रह गयी है। वहां अध्यापक नहीं हैं। आप केवल अस्थायी अध्यापकों से कॉलेज और विश्वविद्यालयों में पढ़ाई कराना चाहते हैं। आप ने क्या तजवीज दे दी है? आप ने ज्ञान आयोग बना दिया है।

उपसभाध्यक्ष (प्रो॰ पी॰जे॰ कुरियन): तिवारी जी, अब wind up कीजिए।

श्री बृजभूषण तिवारी: महोदय, 2-3 मिनट में खत्म कर रहा हूं। महोदय, globalizationके दौर में आज यह बात कही जाती है कि ज्ञान consumer item हो गया है। तो consumer index के द्वारा ज्ञान को नापना चाहिए पहले Socrates ने क्या कहा, गौतम बुद्ध ने क्या कहा? उन्होंने कहा था कि नॉलेज इज पावर। हमारे यहां जो 1986 की नेशनल एजुकेशन पॉलिसी थी, उस एजुकेशन पॉलिसी में हमने पढ़ाई का जो लक्ष्य निर्धारित किया था, उसमें हमने कहा था कि वह ज्ञान हमें संस्कृति प्रधान संस्कारित करे और वह ज्ञान हमारे अंदर ऐसी भावना पैदा करे कि हम समाजवाद

के प्रति, मानवता के प्रति और देश की राष्ट्रीयता के प्रति समर्पित हों। आज तो ग्लोबलाइजेशन में नेशन-स्टेट इंटरेस्ट का कोई कन्सेप्ट ही नहीं है, दुनिया को एक ग्लोबल मार्केट के रूप में देखा जा रहा है। अगर दुनिया को ग्लोबल मार्केट के रूप में देखा जा रहा है, तो बाजार में जो आवश्यक है, उस प्रकार के ज्ञान के लिए अंतर्राष्ट्रीय स्तर पर और देश के स्तर पर भी दबाव बनाया जा रहा है।

इस प्रकार, मान्यवर, शिक्षा की हालत खराब, कृषि की हालत खराब, ग्रामीण विकास की हालत खराब और हर चीज का जो ईलाज है, वह ईलाज है एफडीआई, वह ईलाज है दुनिया से मदद, वह ईलाज है बाहर के लोगों से मदद और वह ईलाज है बाजार। यह जो दृष्टि है, यह जो सोचने का तरीका है, यह तरीका बहुत आत्मघाती है। जैसा कि गांधी जी ने उस जमाने में कहा था, जब पूंजीवाद अपनी चरम-सीमा पर था, किसी भी आदमी में उस समय हिम्मत नहीं होती थी, जैसे कि आज जिस तरीके से बाजारीकरण का सबब है, उस सबब के सामने बोलते तो बहुत से लोग हैं, मगर विकल्प के नाम पर कोई बात कहने को तैयार नहीं हैं, तो उस जमाने में गांधी जी ने एकटूक कहा था कि यह जो औद्योगिक सभ्यता है, यह राक्षसी व्यवस्था है और इस व्यवस्था के जरिए मानवता का कभी भला नहीं होगा, देश का भी कभी भला नहीं होगा। उस जमाने में गांधी जी ने कहा था कि हमें डॉलर के प्रेम को त्यागना होगा। आज गांधी जी का नाम जपने वाले, इस देश की केन्द्र की सरकार चलाने वाले डॉलर को सीने से लगाकर, उससे चिपक कर, डॉलर के बल पर इस देश को, भारत देश को आगे बढ़ाना चाहते हैं। मुझे उनकी बुद्धि पर तरस आता है। मैं उनसे एक बार फिर निवेदन करना चाहता हूँ कि आत्म-चिंतन करिए।

मान्यवर, मुझे पता चला था, तीन-चार साल पहले किसी व्यक्ति ने बताया था कि मनमोहन सिंह जी गांधी साहित्य को पढ़ रहे हैं। मैं चाहूंगा कि अगर देश के प्रधान मंत्री ने गांधी साहित्य को पढ़ा, तो कम से कम वित्त मंत्री जी भी थोड़ा पढ़ लें, समझ लें और कोशिश कर कुछ अंश भी उस रास्ते पर चलें, तो शायद इस देश का भला हो। इन्हीं शब्दों के साथ मैं अपनी बात खत्म करता हूँ। बहुत-बहुत धन्यवाद।

SHRI TAPAN KUMAR SEN (West Bengal): Sir, I rise to place my observation on the Finance Bill and related matters. At the outset, I would like to respond to only one of the many points raised by the hon. Leader of the Opposition so far as the role of the Planning Commission is concerned.

[THE VICE-CHAIRMAN (SHRI UDAY PRATAP SINGH) in the Chair]

He expressed a very strong observation about the ineffectiveness of the entire Planning Commission reaching almost to the stage of dismissing the need for planning altogether, as I could understand it.

I have my strong criticism about the Planning Commission that they are doing everything except planning. That is, instead of reining in the conflicting interests and operations of their various economic agents in the economy, to ensure a proper allocation of resources as per the national priorities, they are floating along with the market rather along with the interests who dominates the market and dictates the market. But what is needed is not to dismiss the concept of planning altogether. It would be like throwing the baby out with bath water. What is important is to bring the whole Planning Commission to sense that they need to moderate the entire market forces in favour of the people and to ensure the most equitable allocation of resources as per the national priorities. I think there lies the difference.

I think the first issue is the vexed problem of continuing price rise and a sort of evasive response on the part of the Government about their role to contain the same. The House has had a number of structured discussions on it. And every time, the Government claims, or, at least, asserted their claim that they have been taking corrective actions. But on the ground, those corrective actions through various monetary and fiscal instruments could cause very little influence in taming the rising prices. That is a reality, and now, at the end

of the day, when a voice is being raised against that in this House and outside, the whole blame for the price rise and inflationary situation has been passed on to the international phenomenon on the one hand, and on the other hand. Government is casting a blame on those who are raising the voice against the price rise as scare monger or politicising the issue. I think, this is utterly an irresponsible statement and a shocking response of the Government towards the most serious problem faced by our country. Very recently, Madam Condoleezza Rice sang a song in the same tune when she told that it is because of India and China. If you consider her statement as an international phenomenon, India and China are eating more, so the price of food is rising globally in this manner. I don't know. I want to get the response of the hon. Finance Minister to such an innovative and indeed brilliant statement of Madam Condoleezza Rice. No doubt, prices are rising globally. It is a fact. But any Government worth the name has some responsibility to guard its people against it. Instead of that, on the one side, the scare mongering blame is being put on those criticising it, and on the other hand, a mis-informed claim is being made that the inflation rate in India is the lowest in the world. I think, a very recent report of the 'Economist' ranked India 33rd in terms of annual rise in the consumer prices, and the developing countries like Malaysia, Hong Kong, South Korea, Slovakia, Mexico, Brazil, Span, Thailand etc. which are much more open to the global economic dynamism, have a much lower inflation rate than India. So, that claim is also not correct. The problem lies in the obsession of our policy-makers, to absolve the perpetrators of the price rise directly. The main perpetrator, as per my understanding, is the speculative forces playing in both the commodities and the financial market. The budgetary proposal and also the Finance Bill carefully sidetracked action on those perpetrators, the speculative forces which reflects their loyalty to the neo liberal economic philosophy; and that is why, the concrete proposal of the Left Parties to ban future trading on 25 essential commodities, as recommended by the Parliament Standing Committee on Food and Consumers Affairs recently, and earlier by the Parliamentary Standing Committee on Agriculture also, went completely unheeded. The demand for universalization of the Public Distribution System to take on the price rise, these are all measures to directly have an assault on the basic problem of price rise. When all other indirect instruments to contain the price rise through play of market forces, through different monetary and fiscal instruments completely failed during the last few months, again and again, we discussed this issue in this House. So, the need of the hour is to have a direct assault through completely banning the future trading of all the 25 commodities, universalizing the PDS, reducing the prices of petrol and diesel, and also containing the private procurement of food-grains, making it mandatory to declare all stocks in food-grains in any godown from 10,000 tons onwards to contain black marketing and hoarding. These are the issues, and I think, the most urgent need of the hour is to tackle them on priority basis. We will request the Finance Minister as representing the Government to look into this very serious problem of the people and initiate certain actions by directly attacking the price rise. In this context, the very urgency of food subsidy and the universalization of the Public Distribution System have to be taken note of. As such, now, the targeted PDS has become a hoax and as per the NSS data for 2004-05 when 70.5 per cent of all rural households, 52 per cent of all agricultural workers households, 55.4 per cent of all tribal households, either don't have any ration cards or have only APL cards. There, the targeted PDS for BPL does not carry any meaning whatsoever. Such a massive exclusion of people, I think, is enough to sensitise those swearing, every time, in the name of inclusive growth to shed their obsession against the universalisation of Public Distribution System.

Sir, despite the high GDP growth that they are boasting, we are also glad that our country is advancing at quite a good speed; tax collection has become buoyant. These are all positive matters. But, at the same time, that growth is not going down, is not percolating down; that is the big problem. So, it is, along, accompanied by a very high rate of unemployment and underemployment. Just now Dr. Sengupta has narrated it; I do not like to repeat that. It is a kind of a situation where the majority of our population are living in despite such high growths. Further, inflation is making the life of the poor people more vulnerable. On the other hand, an adverse shift, in such a situation, taking place in the terms of trade against primary commodities resulting from the declining global demand, can, seriously hurt our cash crops like rubber, coffee, spices, cashew etc. And moreover, this financial crisis may also affect the Indian financial system, leading to credit squeeze, and in such a situation and in such a financial crisis, it may be difficult to sustain the high growth we have already achieved. So, an advance preventive action is needed altogether in view of the serious situation. The subprime mortgage crisis in the United States has already exposed the volatile nature of these debt-induced consumption booms and real estate bubbles. The Indian economy, as my previous speaker has just now spoken, is also demonstrating such trends, and in such a situation, I suggest, the lending practices by the banks and other financial institutions should be seriously reviewed and over-exposure to sectors like the real estate, consumer finance and capital markets should be curbed through tighter regulation and strict implementation of priority sector lending norms. Banks and financial institutions should be pro-actively encouraged to lend to the priority sectors at a differentially lower rate of interest than the rate charged from non-priority sectors. I think, this is also a measure of directly attacking the speculative forces in the country.

Sir, the immediate fall-out of US recession and dollar devaluation is being felt in our export-oriented sectors. This is also to be addressed on priority. Job losses have already taken place to the tune of 40 lakhs only in the textile sector and, now, it is also spreading in other sector. Some relief measures have been adopted for the export-oriented sectors in terms of tax reliefs. But, again, that did not address at all the problem of huge job losses. So, that is also to be directly attacked.

While these measures can help, the key issue, here is, not only not to allow the rupee appreciation further, but it is also important to discourage the huge unproductive inflows in our country, which is also creating a menace and strengthening the speculative forces to practically damage or sabotage all our initiatives to put the economy in a productive direction. I reiterate again that our policies are indulgent and have taken a touch-me-not kind of approach towards the speculative forces. And the financial market, in this situation, with our indulgence to speculative forces, fans the inflationary trend, which is nursed by global trends. In this situation, the need of the hour is to discourage all such inflows like FIIs which do not augment investment and employment. This is required in a situation where the Indian economy—the record shows this—has been receiving huge volumes of FII inflows over the past few years especially through the Participatory Note routes. So, in this situation some direct action is required to curb this kind of inflows and definitely it is not going to affect, in any way, the inflow for productive purposes. Definitely those inflows are welcome. Here, I understand that the problem remains due to the absence of a long-term capital gains tax and the double taxation avoidance treaty with Mauritius and other countries. The capital gains through FIIs in our country go largely untaxed. This is also contributing, on the one hand, to the inflationary situation and, on the other, to the appreciation of rupee. So, the suggestion is that the long-term capital gains tax which was discontinued in the 2004

3.00 P.M.

Budget should be reintroduced and the rate of short-term capital gains tax, which is already in existence—it is definitely a welcome step—should be increased, at least, to make it higher than the taxes applicable to the other incomes. (*Time-bell*) I need some more time, please. If the short-term capital gains tax rate is below the rates of tax applicable to other incomes, it damages the income-tax base as well. I think, imposition of a higher long-term capital gains tax and making the rate of short-term capital gains tax higher than the income-tax rates will go a long way in removing the anomaly in the tax structure, as also in the financial system.

An important contributory factor behind the current inflation is the successive hikes in petrol prices. I understand that, again, the Government may talk about the compulsion due to the rise in the crude prices in the international market. Notwithstanding that, I thank the hon. Finance Minister for responding to the long-standing demand of removing the *ad valorem* content of the excise duty on domestic petroleum. I thank him for this step. But, at the same time, I would like to point out that so far as import duty on crude oil is concerned, the *ad valorem* duty still remains which allows the Government to earn a huge revenue riding on the crest of rising international crude prices at the expense of the consumers. This is unfair. In the present situation, the import of petroleum crude, which is an important element, need not be restrained by higher import duty because that is an essential commodity we need in our country every day, and we do not produce what we need. We produce much less than what we need. In such a situation, the import duty on crude must be made zero and the excise duty, whatever it is, should be further reduced . In this way, I think, we will be able to neutralise the impact of higher petrol and diesel prices on the present inflationary trend.

In this connection, I would like to draw the attention of the hon. Finance Minister to the five per cent import duty on naphtha and request him to withdraw the five per cent import duty on naphtha introduced in this Budget. At least, in my State, Haldia Petrochemical Corporation—I know about that—alone has to undergo a loss of Rs. 300 crores on this account. Removing import duty on naphtha making it zero is justified on the ground that import of naphtha is not going to affect adversely the naphtha production in our country. We produce much less than what we need and naphtha is the most important feedstock for the petrochemical industries. (*Time-bell*). Please, I am just concluding. Naphtha is also a very important feedstock for the fertilizer industry.

THE VICE-CHAIRMAN (SHRI UDAY PRATAP SINGH): Please. You have already taken five minutes more than the time allotted to you. How much more time will you take?

SHRI TAPAN KUMAR SEN: I will take another five minutes. I request the hon. Finance Minister to consider the suggestion of making import duty on naphtha zero, which will definitely help the Haldia Petrochemical Corporation in my State as also the fertilizer industry, and the petrochemical industry, in general. I would like to draw your attention to the expenditure incurred due to tax concessions, which is continuing to rise. I feel it must be reviewed. We are, despite all tax buoyancy, still short of huge resources to fund our social sector expenditure. At the same time, we must also take note of the kind of hostility or discriminatory practices against our public sector units. We have been told by the hon. Finance Minister that discrimination in tax holiday against the new refineries which was there, has been removed in the current Finance Bill, I thank him for that. But, at the same time, I would like to draw his attention to one thing. ONGC is one of the top taxpayers in this country. But another company in private sector of the same field, and of similar size in terms of sale, turnover, profit and everything, pays much less tax on all counts than the ONGC. I

I think there is something wrong in tax administration. Despite marked, serious and remarkable improvement in tax collection, still something wrong is there, some loopholes are there; otherwise, this cannot happen. This must be seriously probed.

During the debate on the Finance Bill, last year, I argued for withdrawing the perquisite tax imposed on workers and employees who are using company quarters because there was discrimination against them *vis-a-vis* Government employees. Secondly, there was double taxation because the workers who are having company quarters are already foregoing their House Rent Allowance. I again request the hon. Finance Minister to look into the matter.

Lastly, the Unorganised Sector Workers' Social Security Bill, although it comes under the Labour Ministry, but without a proactive support of the Finance Ministry that cannot take of. That Bill is not basically for the unorganised workers, it is for the BPL people. So far as my experience goes, more than a decisive majority of the unorganised sector workers will not qualify the definition of BPL, not even a ricksha-wala or a street vendor will qualify the present definition of BPL. So the Bill that has been brought will mean nothing for the unorganised sector workers, who contribute more than 65 per cent to our country's GDP, in this rising GDP growth. In that sense, I again request the Government, through the hon. Finance Minister, to redraft the Bill, and make it universal for the entire unorganised sector workers. In its present form, it is only meant for the BPL people.

At the end, yes, all the time the Left is blamed; we are blamed that we are enemies of growth. When we criticise globalisation, we are called enemies of growth. We don't mind it. People will finally judge. Definitely, we can assert that we are enemies of inequality. At the same time, I would like to say that the manner in which the economy is being handled, the manner in which growth along with disparity and increasing inequality, the back-breaking inflation are being left uncared, and the main villains of the speculative force are kept untouched, if this continues, I think, people may start looking upon at the Government as enemies of equity. At this moment, we must try to avoid that kind of situation. With this caution, I conclude. Thank you.

SHRI N.K. SINGH (Bihar): Mr. Vice-Chairman, Sir, I am indeed deeply honoured to be able to make, what is my maiden speech, in this august House. I am equally privileged to be able to do so since the Finance Bill has been moved by the Finance Minister, Shri P. Chidambaram, with whom I have had the privilege of working in the making of many successive Budgets, while working in the Departments of Expenditure, Revenue and Economic Affairs. A few days ago, speaking in this very august House, the Leader of the Opposition was grossly unfair, accusing Shri Chidambaram, of masquerading as an economist. Indeed, Shri Chidambaram is conscious of what the famous Economist, John Kenneth Galbraith, had said. "The only utility of economics is to provide employment for economists. And that if all economists were laid from one end to the other, they would not reach any decisive conclusion." Shri Chidambaram is known to be of a decisive bent of mind, and, therefore, it would be almost abusive to suggest and to label him as being a mere economist. Given the conventions of this House and given the procedures we adopt, the Finance Bill is more or less a done deal. So, what I have to say has relevance as much for the present and more so far the future. And, in making my points, I have eight brief observations to make.

The first and foremost is the general thrust of this Finance Bill. If we look at this Finance Bill, given the tax breaks for small and middle-class, increase in the threshold margins, the large public outlays for various kinds of infrastructure and rural development,

the Budget can be deemed to be expansionary. Whether such a response, at a time when one of the considerations is reigning inflation and squeezing out demand, was the most appropriate response, is a debatable question. However, the fact remains that in the long run, we need to move away deliberately from a consumption-led growth strategy to an investment-led strategy, for sustaining higher growths, better fiscal management improving long-term sustainability, or, being able to support, the expenditure patterns, which they have in mind. The second issue which I want to raise is about the macro problems. Now I know that managing the macro system is trying to reconcile the impossible trinity, the trinity of managing interest rate, exchange rate and inflation rate. And, unabated rupee appreciation which leads to the woes of exporters, has other consequences in terms of the cost that it entails on the system, We, therefore, need to be mindful of how much of rupee appreciation should be permissible for exporters which will not erode the competitive advantage greatly. The problem is, our interest rates cycle is out of sync with the global interest rates cycle. While the interest rates all over the world are going down,and the interest rates in India have tended to go up, which encourages large arbitrage flows, with unabated carry-trade, creating problems of short-term volatile flows, inflationary management would, no doubt, want harder stance of the monetary policy. Therefore, the need for reconciliation of the dilemna,this triple trinity dilemna, which I mentioned, of managing interest rates exchange rates, which enables exports to be competitive and yet has an anti-inflationary bias. And the key rate is a difficult question and I would recommend for the Finance Minister's consideration three elements in this. The first and foremost is that given the conventions and notwithstanding all the rumours fostered by the pink newspapers that the Mint Street sees the economy diffently than what the North Block sees, leave it in the hands of the Central Bank, give it the requisite autonomy, when it comes to managing the exchange rate and when it comes to managing the interest rate, etc. and I think that the Finance Ministry needs to distance itself from what would be really in the domain of the Central banker.

Second, I think that I share the nuance of some of Finance Minister's earlier statement, that looking at the interest rate differentials and unabated 'carry trade' we need to work on mechanisms which prevent unabated, volatile, short-term capital flows. Now, in putting any regulations on capital flows, one is acutely conscious of the fact that money is fungible, that putting restrictions on one kind of flow would only encourage flows of other kinds to come. What, therefore, are kind of mechanisms which we can conceive, which can minimise the damage from short-term volatile flows is another area to which this can be given consideration.

The third, of course, is an obvious one. Looking at the woes of exporters, what can be done to incentivise improvement in technology,rise in productivity, cheaper access to capital and what can be done in which the consequences of what would perhaps be unrelenting rise of the rupee, at least, in the short-term can be absorbed without damaging their long-term competitiveness. Let us not forget, Mr. Vice-Chairman, that the exporters are facing what is known as a 'double whammy', the whammy of a shrinking global market, in recessionary conditions and the whammy of a rising rupee which erodes that competitiveness significantly.

My fourth point, Sir, is the point on Budget-making and tranparency. We have all been part of this Budget-making process,that is, debates and discussions.

THE VICE-CHAIRMAN (SHRI UDAY PRATAP SINGH): Mr. N. K. Singh, I am not

disturbing you I am aware that this is your maiden speech. But how many more minutes will you take to conclude?

SHRI N. K. SINGH: Sir, I seek your indulgence. Would it be permissible for me to take five to seven minutes more?

SHRI P. CHIDAMBARAM: He is already on the fourth point.

THE VICE-CHAIRMAN (SHRI UDAY PRATAP SINGH): All right. Please proceed.

SHRI N.K. SINGH: Thank you, Sir. It is indeed very kind of you.

My fourth point, Sir, was how to improve transparency in Budget-making. All over the world, if you look at the OECD guideline on achieving transparency, trasparency is designed to be achieved by improving parliamentary oversight, both *ex-ante* and *ex-post; ex-ante* in being able to take Parliament into confidence, let us say, in the Winter Session of Parliament, by presenting a pre-Budget which indicates Government's expenditure and fiscal profile and revenue profile in a two-year horizon; *ex post* in terms of improving the quality of monitoring and the quality of evaluation. There is a second element, Sir; not only the greater engagement of Parliament and parliamentary oversight, but also in improving the quality of parliamentary oversight. Look at all over the world, Sir. The United States' Budget Congressional Office has 250 independent analysts who support the kind of independent analysis of the parliamentary team. Even Philippines has 65. Large parts of African countries have independent analysts to support this. Scandinavian countries have independent analysts. Look at the best international examples; you will always find that you get an independent view. The view available in the Standing Committees of Parliament are from the same Ministries which have been responsible for putting forth budgetary proposals and are hardly likely to take an adversarial view and proposals which they have put forward. Parliament needs. Sir, independent, high quality technical support in line with best international practice to improve its supervisory ability.

My next point is about expenditure. The Finance Minister has, indeed, made this an expansionary budget for the reasons which I have mentioned. But he is acutely conscious, I am sure, of three important elements in the expenditure budget. First, the slipped cycle between having a Five-Year Plan and having a Finance Commission puts expenditure planning at a great disadvantage. This is apart from accounting distortions, distortions like an artificial distinction between Plan and Non-Plan and capital and revenue expenditure. Can you conceive of a situation where the devolution to States, for education, for health, is debited to the revenue account, when that has high multiplier benefits for the economy of the State and for the economy of the country? So, I think the accounting reclassification is an issue which has been postponed for very long and deserves to be revisited soon.

I go on to the next point that, as we burden public outlays very significantly, implementational capabilities are lacking and improving the implementational capabilities, improving th efficacy of public delivery systems entails long-term administrative reforms. The Finance Minister is acutely aware that the same district officials who are supposed to look to law and order are now burdened in overseeing the implementation of over 95 development schemes. You ask an average District Magistrate, Sir, how many development schemes are you implementing? He would not be able to recount to you even the names of the development schemes which he is in-charge of. We need to re-think out-of-the-box a

different mechanism; a mechanism which is outside the kind of ways in which we have carried on development expenditure so far, and, this also requires some innovative thinking.

Finally, Sir, since time is running out, I come to the Revenue Budget of the Finance Minister. First and foremost, let me begin by complimenting him that the sagging tax to GDP ratio which had come down to well below the double digit number, has with his efforts, now climbed up to 18.2 per cent, if you take the Central and the State Taxes as a whole. The component of the Central tax to the GDP ratio has also climbed up to around 12.68 per cent. This is desirable. Another desirable aspect, of course, is that within the break up of the overall taxes, the contribution of direct taxes has gone up significantly, as compared to the indirect taxes. Let me speak a little bit, Sir, on the indirect taxes. On the direct taxes first. On the direct taxes, Sir, as far as the corporate taxes are concerned, the actual applied rate of corporate tax is 33.43 per cent; the average realised rate is regrettably 20.68 per cent. And if you look at pages 58 to 61 of the Receipt Budget, you will see an anomaly in the structure of rates, ranging from six per cent realisation for the software to a much higher realisation of others. We need to merge all this. We need to make sure that as far as corporate taxes are concerned, the realised rates are equal to the applied rates. We need to get rid of the plethora of exemptions with which the corporate taxes have been ridden. We also need to move forward on financial inter-mediation and having a different kind of a taxation regime which is more rational for the cost of financial inter-mediation it is only a pass through in raising the cost of capital in the real world, and this is an area which, I think, the Finance Minister may like in the medium term look into, as indeed also, some of the more difficult issues in the taxation of saving instruments in regard to the need for old age pension.

When it comes to indirect taxes, Sir, I would like just to make two very brief points. First and foremost, that although the proportion and contribution of indirect taxes have come down, they are still misaligned with what global averages are. Indirect taxes need to be rationalised further and the proportionate burden which my colleague from the Left also pointed out, which is far too disproportionate a burden on the petroleum sector needs to be rationalised. I also hasten to say that in the plethora of indirect taxes, there has been a tendency in the last two years to create new rates of both excise, customs, moving away from attempted paradigm of financial management, and I do hope that we will see even in the short run, a convergence of rates, fewer rates, lesser divergences so that the advantages of stable few rates can be enjoyed by the indirect tax system, as has been possible with the direct tax system.

Mr. Vice-Chairman, Sir, I am grateful for the indulgence you have shown. India is at the cusp of change. We are seeking in the medium term eight to nine per cent rate of growth, and I do believe, to sustain this rate of growth you, perhaps, need a different kind of Finance Bill; you need different processes in the making of the Finance Bill. We need a different kind of engagement and oversight of Parliament to make their possible. After all, Sir, we cannot be like the Bourbons, learning nothing and forgetting nothing because, I am sure, the Finance Minister will be one in believing that the making the future cannot be a hostage of the past. Thank you very much, Sir.

SHRI Y. P. TRIVEDI (Maharashtra): Mr. Vice-Chairman, Sir, I know, the job of the Finance Minister is probably the most uneneviable job, to collect the taxes, disburse them on expenditure which must ultimately result in accelerated economic growth along with social justice. It is an uphill task. Nobody likes to pay the taxes. It was Edmund Berke who said, "To love and to be wise, to tax and to please the people is not given to man." There are very

few people like Justice Oliver Wendell Holmes, who said, "I love to pay my taxes because that is the price which I am paying for my civilisation." With that background, I would like to look at some of the highlights of the present Finance Bill.

[THE VICE-CHAIRMAN (PROF. P.J. KURIEN) in the Chair]

There are three achievements of the Finance Minister, for which I would heartily congratulate him. The first is that he will always be remembered as the person who had the courage to go in for loan waiver of Rs. 60,000 crores for debt-ridden farmers. And this he has done without levying any further taxes. That means, he has tremendous faith in the robustness of the economy.

The second thing which he has done very successfully is, he has been able to contain the fiscal and the revenue deficits within permissible limits. The third thing for which I would like to congratulate him is for his firm resolve to monitor that the benefits of various welfare schemes reach to the poor and needy and that the hundred rupees earmarked for the needy and poor does not become ten rupees in his hands. For these three achievements I am certainly very much thankful to the Finance Minister.

But there is one ring to alarm which I would like to put about the various subsidies. Of course, the subsidies on food and fertilizers are understandable. But what shall we do about the subsidy given to the petroleum products? The other day, the figure given in this House was that the total amount of subsidy which is given to petroleum products has now exceeded Rs. 71,000 crores and that with the rise of crude in the world market reaching up to 127 dollars per barrel, it might reach to much higher figure. What is the way out? I know, we cannot reduce the subsidies on kerosene and diesel which are consumed largely by the poor people. But we must find out some ways and means by which the excessive and ostentatious consumption of petroleum is curtailed. I wonder whether we can think of a system by which we can have some sort of rationing on the use of petroleum in metropolitan towns. Because, if we allow people to just use the subsidised petrol for the purpose of running from one place to another in the metropolitan towns, it is only a useless expenditure which can be curbed.

With that background, I would like to look at some of the provisions relating to direct taxes. As it was rightly stated earlier, direct taxes have now assumed considerable importance, its collection is 53.07 per cent at Rs. 3,65,000 crores. I rather concentrate on some of the provisions of the direct taxes.

The first thing which I would like to urge upon the Finance Minister is that there is a dire need of a regular tax code. The Income Tax Act, 1961 has undergone more than 5,000 amendments. There is not a single section which is independently standing by itself! Every section is referring to some other section. All people, either tax practitioners or tax administrators, are in confusion in interpreting the law. There is a dire need that we must draft a new tax code which should have three fundamental features. First, it should be as simple as possible. It cannot be as simple as a child lullaby, but, certainly, it should be as simple that anybody who wants to take some pains will be in a position to understand some of the main measures and significance of that tax code. Secondly, it must have some sense of uniformity. Today we have a large number of Income tax tribunals, a larger number of High Courts giving different types of interpretations. It should be understood that the moment that there are two different views, the matter is straightaway referred to the Supreme Court and the Supreme Court should give the final verdict so that there is no conflict any

more to continue and litigation for a long time to go ahead. Thirdly, the new code should take into consideration the people's ability to pay, to take from each one according to his ability to pay. This is something, which the great saint Chanakya had said that a king should collect his taxes like a bee collecting honey from the flower, without damaging the flower. You pluck the flower in such a way that you collect the honey, but at the same time, the flower is very intact. There is a very great need for a new tax code, not merely for the Income Tax Act but also for the Service Tax. Now, the Service Tax accounts for more than Rs. 66,000 crores of the total kitty. And there is no separate code for Service Tax. There is something, which is of Section 65 of the Finance Act, 1994. To that Finance Act of 1994, amendments are made from time to time for the purpose of making provisions for the Service Tax. There is a need for a regular code of Service Tax, which will take into consideration the assessment, reassessment, appeals and other provisions relating to other taxes. I know I am also making some suggestions as regards the present Finance Bill. I know it is too late and these amendments cannot be made but if they are found to be equitable and proper, then administratively some of these loopholes can be plugged in. First I would submit about the definition of charitable trust. Charitable trust under section 215 is a kind of relief to poor, medical relief, education and object of any general public utility. In the last object, the object of any general public utility, now there is an amendment. This amendment says that if it is known of carrying any business activity then the entire object will fail and it will not be considered to be a charitable trust. There is a difficulty because there are a larger number of small trusts, sports organisations, cultural organisations and many of them are collecting who are collecting money every year by what is popularly known as a fundraising drive, they will lose exemption totally even in respect of their other income. So, my respectful submission is that let there be a basic exemption of, let us say, Rs. 10 lakh or Rs. 15 lakh in respect of the fundraising activity which may be considered to be an adventure in the nature of trade as exempt. Or in other words, otherwise what can be done is that their other income, the interest income, income from property should not be subjected to tax. Otherwise these small organisations, which are collecting money by this fundraising drive which should be considered as business activity, they will lose the exemption totally in respect of the activities that they are doing. These are sports organisations, cultural organisations, NGOs and many other organisations which are collecting money by doing some fundraising activity. They will be hit because their object is an object of general public utility. The second thing, which I would say, is that in the administration of the Income Tax Act there is nothing like accountability. There are officers who for their own reasons make high pitch assessments. These high pitch assessments are not sustained in higher courts, in appellate courts or sometime even in the first appeal stage the high pitch assessments are knocked down. But in the process, the poor citizen undergoes a great suffering. There is not only assessment but there is also penalty, which can be up to 300 per cent of the amount of tax involved. Under those circumstances, there is no accountability, there is no scheme for punishing those officers in whose cases a large number of matters which are lying before them, there are these high pitch assessments which are not sustained in higher courts. Then there is also a provision relating to penalty. Courts have stated time and again, and the Supreme Court in the case of Dilip Shop, that if a penalty is imposed by the assessing officer he should apply his mind fully, he should come to the conclusion that, yes, there is concealment. After having satisfied himself only he can levy penalty. But these provisions have been removed. Now, you can levy the penalty by just mentioning, without applying your mind and penalty will be levied. Now, these high rates of penalties give rise to corruption and if corruption in the Income Tax Department is to be avoided then there must be, firstly,

accountability and there must be assessments and other provisions relating to penalty. I am talking about penalty for concealment. But, they must be within permissible limits. Then, there is another provision that if a high peak assessment is made, a person can go to the Appellate Authority and obtain a stay. Now, an amendment has been made that if a person has obtained stay, but, the appeal is not disposed of within a period of one year then, the stay will be automatically vacated. Now, this is going to give rise to a large amount of litigation because people will say that if an appeal is not taken up within one year because of no fault of the citizen, then, why should the stay be vacated. If the citizen himself is not cooperative with the disposal of the appeal, then, one can imagine that the stay is vacated. But, if he is fully cooperative, then, why should the stay be automatically vacated? Then, I would give some very constructive suggestions relating to the provisions of Settlement Commission. The Settlement Commission is a very fine institution which was originally suggested and conceived by Wanchoo Committee. It is probably the speediest way of collecting taxes because there is no appeal provided against the decision given by the Settlement Commission. If efficiency is lost because of poor implementation, but what is needed is proper implementation, proper manning of the people in that and seeing to it that right type of people are manning the Settlement Commission. Instead thereof, all pending matters lying before the Settlement Commission have to lapse by 31st March, 2008. Hundreds of petitions have been filed. I myself am responsible for filing several petitions in Bombay High Court. As a result of these petitions large amount of taxes are now in limbo. The petitions will not be disposed of for a number of years. So, I would respectfully submit that instead of keeping this date as 31st March, 2008, let it be 31st March, 2010. See to it that proper people are appointed and all pending matters are disposed of. This is very necessary. Another thing which I would like to mention, are provisions relating to Sikkim. It has been mentioned that some of the exemptions, which are given, are restricted to those who have got themselves registered under the Sikkim subjects register. But this register was never compulsory. There are a large number of people who are domiciled in Sikkim, enjoying the same rights and sharing the same rights, responsibilities as other citizens of Sikkim who have got themselves registered. I think, the exemption, which is given, should be made applicable to each and every one of them, not only those who have got themselves registered but those who are domiciled in Sikkim. Then, I have to say about the fringe benefit tax. The fringe benefit tax has probably given rise to a large amount of litigation. I believe that instead of fringe benefit tax we should go back to the old system of Section 37 where there was discounted deduction. If you have incurred some expenditure where recipient is not found, don't give deduction for entire 100 per cent, give deduction only for 50 per cent. A 50 per cent deduction is given and an amendment in Section 37 will put an end to the entire chapter relating to the fringe benefit tax. But recipient is not found. Identify the recipient. It is a simple thing. We take it in the hands of the recipient.

SHRI P. CHIDAMBARAM: That provision was there. The complaint against that provision was, enormous discretion put in the hands of the assessing officers who could either disallow or not disallow. So when we move away from discretion to non-discretion you complain about the non-discretionary powers.

SHRI Y.P. TRIVEDI: I am saying that make it very clear. If the recipient is not found in whose hands it is to be taxed, you can find out the recipient, tax it in the hands of the recipient. If recipient is not found, it is an expenditure on which you suffer a discounted deduction of 50 per cent. Sir, these are the some of the ideas.

Another thing which has been mentioned very loudly is about the black money. The black money is a spectre which is haunting our economy. Something has got to be done on this. The provisions made in the past-Chapter XIV B of the Income Tax Act-are working quite efficiently. I do not know for what reason it was substituted by Section 153A and other subsequent sections. I believe, a scheme has to be framed. If necessity arises, a Committee may be formed to tackle this menace which, somebody says, runs into more than Rs. 11 lakh crores, or, whatever amount. Nobody knows the exact figure, because it is like an iceberg. Only tip is seen. The remaining 9/10 is, certainly, not seen. So, something has got to be done if this economy has to run in a more efficient manner.

So, Sir, these are some of the suggestions that I have given in a very constructive manner and did not deviate from my admiration for presenting a Bill which tried to satisfy all strata of the society and you will definitely, take the country triumphantly in the 21st Century. Thank you.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Thank you, Mr. Trivedi for your maiden speech. You have given a lot of good suggestions to the Finance Minister. Now, Mr. Praveen Rashtrapal.

SHRI PRAVEEN RASHTRAPAL (Gujarat): Mr. Vice-Chairman, Sir, I rise to speak on behalf of the Congress Party and I must thank my party for giving me this opportunity to speak on the Finance Bill, because I was not able to participate in the general discussion on the General Budget. Being part and parcel of the Department of Customs and Central Excise for 36 years, I am not only under an obligation to the hon. Finance Ministry and the Government, but, I will also definitely, take this opportunity to make a few suggestions about the poor, low paid employees, because I was one of them. I will also make a few suggestions about Dalit community, because I belong to Dalit community. Sir, there are certain issues about the working class where the Finance Ministry is not directly concerned. Sometimes, we are told that disinvestment or SEZ or the minimum wages comes under this Ministry or that Ministry. But, the hon. Finance Minister will also appreciate and agree with me that one of the most important Ministries in the Government of India is the Finance Ministry. It is next to the Prime Minister. Another piece of information that I got only a few days back is that there are many Groups of Ministers appointed by the UPA Government and there is also a GoM for Dalit Affairs. This is headed by Shri Pranab Mukherjee and the hon. Finance Minister, the hon. Law Minister, Shri Kapil Sibal, Shri Ram Vilas Paswan are all Members in that Group of Ministers.

As my colleague, Mr. Seelam and Shri A.K. Sengupta very rightly spoken when the hon. Finance Minister was not here, very rightly pointed out that you must look to a particular section of the society, which is poor, which is backward, which is socially poor, educationally backward. Even now, they are facing discrimination all over the country, particularly in the rural India. They are in need of help from the Government of India. Now, GoM is working for the last three years with the most efficient senior members of the Government of India. If they are not able to come out with a pucca scheme as to how to help these people, I request the hon. Finance Minister to look into this particular aspect, because his approval is a must for welfare fund and money. So, this is my primary request.

At the same time, I congratulate the hon. Finance Minister for presenting one of the best Budgests-the last Budget-he has presented, not only because of the Debt Waiver Scheme but because of various other things. Some people are talking about only that scheme. This

is one of the good schemes. But, there are many positive aspects in the Finance Minister's Budget. The entire rate of the Central and Excise Duty is very nicely rationalised. There is no new tax. Income tax slabs are also very appropriately made, whether it is for elderly or female tax payers.

So, in many respects, he deserves congratulations, the Government deserves congratulations. Another beautiful thing, which has been introduced by the Finance Minister of the UPA Government, is not only the estimate of Budget, or, the real Budget, or the expenditure, but the Performance Budget. Last month, I got a booklet on the Performance Budget, wherein the Finance Ministry has given figures, up to September 2007, in respect of all the Ministries and Departments, whether it is the Rural Department or the Agricultural Ministry or the Social Welfare Ministry. This has never happened in the past because it is very difficult to obtain such figures from various Ministries. But, now, a booklet has already been printed and distributed to the Members of Parliament. We give many assurances, we make many promises in the Budget, but whether these percolate, or, they are implemented or not, that was never known to the taxpayer. Now, it is possible to know it.

But let me start from where Mr. Trivedi has very rightly concluded. My senior officer in good olden days, Mr. N.K. Singh, also spoke about it. The country is waiting for a very comprehensive Finance Act. Many promises have been made in the last many years. Many Committees, like, the Kelkar Committee, have worked on it. There are very intelligent officers in the Board. What happened to that Act, which should be simple, where I want that a Member of Parliament should be able to file his own Income Tax Return? We are not able to do it. I had no opportunity to study the tax policy of other countries, but, at least, I have seen the Income Tax Return from of America. It was just one page form, which I saw ten years ago. I don't know how we are going to do it, and whether the hon. Finance Minister will agree to it or not. The present Finance Bill runs into 60-70 pages. Every year we get this type of Finance Bill.

SHRI P. CHIDAMBARAM: Sir, with great respect to my colleague, I would like to submit that these are myths, which are usually found in magazines and newspapers. And, we tend to accept these myths. The U.S. Income-Tax Code runs into 9,553 pages, the Canadian Income-Tax Code runs into 1,680 pages, the Australian Income-Tax Code runs into 9,000 pages. And, the U.S. Income-Tax form is not a one-page form. I don't think we should subscribe to these myths. The U.S. Income-Tax Code runs into 9,553 pages. *(Interruptions)* Ours is bad enough. *(Interruptions)* I agree, ours is bad enough. *(Interruptions)* Ours runs into 298 sections. And, in this book, in this small size, it runs into 938 pages, with footnotes.

SHRI PRAVEEN RASHTRAPAL: It is all right, Sir, I have not spoken about the Code of Western countries. But, once again, I will obtain Income-Tax Returns of Western countries and submit to the hon. Finance Minister, and please try to find out whether those forms are simpler as compared to the *Saral* form of the Indian Income Tax Department. We can do it. There is no problem about it.

Now, I am coming to the main problem about which I am concerned. It is regarding the Central Government employees. The Sixth Pay Commission has already submitted its report. It was admitted by the hon. Finance Minister that the Pay Commission Report will be available by the end of March, 2008. And, hence, it was expected that we would definitely make some provisions in the Budget. But when it is not made, the Central Government employees, all over the country, are very much worried as to when a decision will be taken

on the Pay Commission recommendations. And, another problem in our country is, whether it is this Government or that Government, once a Commission is appointed and the report has been submitted by that Commission, again, another committee is appointed. How can a committee go into such a beautiful report prepared by a commission, which was appointed by the Government, with very appropriate cadre? A judge is the Chairman, a man from IIM is the member and many other people are associated with it. Now, that committee will sit for three or four months. The hon. Finance Minister knows that there is some rise in their salaries. We can go for interim relief. The Government employees, particularly, Class III and IV employees, who are due to retire, they are awaiting this. The date from which it will be effective has also been announced by the Government. When that date has been announced by the Central Government, there is no reason why we cannot pay interim relief to the Central Government employees because that will be deducted when the final arrear bill is brought.

Another problem which the working class is facing in this country is about minimum wages. It is a question of providing minimum wage to the rural worker, the urban worker, and of the workers in the public sector and the private sector undertakings. The other day I spoke here. I was given an answer by the Labour Ministry that we are not concerned with it. Another Ministry also said that we are not concerned with that. I request the hon. Finance Minister that a *pucca* minimum wage be provided to rural and urban workers. In the National Rural Employment Guarantee Act also, when I made a suggestion, the concerned Minister said that we are implementing the State Minimum Wage. Now, every State in this country has got different minimum wages. One State is giving Rs. 130 per day. Another State is giving only Rs. 80/- per day. One State is giving Rs. 60—70 or something like that. In my own State, it was Rs. 50/- till last month. Now, it has been made Rs. 80/-. In Uttar Pradesh, it was only Rs. 80/-. Now, it has been made Rs. 100/-. But the best minimum wage is given in Puducherry, Delhi, Goa, Kerala and Punjab. This is as per my information. Let us rationalise this. When same man is doing the same work, why should there be discrimination? Why should there be disparity? This is my first suggestion.

Another point is regarding outsourcing of work in the Income Tax Department. I am saying this on behalf of the Income Tax Employees Federation. You will kindly appreciate this that the income tax record of a taxpayer is his personal record. He discloses information regarding his assets, liabilities, including information about his personal things, like property, ornaments etc. He is not worried if these things are known to the Government. But the same file is given to an outsider. Outsourcing the work means the file will go out of the office. In that case, the secrecy of the taxpayer will not be maintained. From this angle, I want to know from the hon. Finance Minister whether outsourcing in a sensitive department like Income Tax should be adhered to or not. That should be decided because that information can be misused by any anti-social element in the society. This aspect may be taken into consideration.

Again, I come to the Pay Commission. As far as the most organised nationalised banks, LIC, and other public sector banks are concerned, there is wage revision every five years. But when it comes to the Central Government employees, the wage revision takes place after 12-13 years. Why is there this discrimination? In fact, the previous Pay Commission; the Fifth Pay Commission, suggested that there is no necessity of setting up Pay Commission every ten years as far as the Central Government Employees are concerned. We know the duty of the Central Government employees. We have got a price index. We know what their requirements are. We know their rules regarding housing, DA etc. Everything is there. So,

there should be a permanent wage revision body, a permanent body, which will decide the revision as and when it is necessary and so there is no question of setting it after every ten years. When it is delayed, there is complaint from the employees' side. Let us think over this thing. As far as the minimum wage is concerned, I am very serious because the CPWD has got one minimum wage. The Central Public Works Department is giving uniform minimum wage to workers who are working on the site of construction done by the CPWD. Why cannot the same rate be given to other workers when they are engaged by the contractor or by other Department? That should be there.

My another worry is about backlog vacancies and bogus caste certificates. In most efficient Department like Income-Tax in the Finance Ministry, to one of my questions, the hon. Finance Minister has admitted that there are 878 cases of bogus caste certificates in nationalised banks. Now, I belong to the Scheduled caste and I know it is not difficult to decide who is a Scheduled Caste. If you go to my native village and ask the *Sarpanch*, 'who is Praveen Rashtrapal?' He will say, 'He is a Scheduled Caste.' The only authority for deciding caste is the Collector in our country. If that certificate is forged and there is a complaint, I think, that employee should be immediately suspended from the Department. I am extremely sorry to inform this House that these wrongdoers, these people who are committing social crime are obtaining stay from the lower courts and they continue to remain in service for ten years, twenty years or twenty-five years. Not only that they get salary, but they are also promoted from Group D to Group A, from Group C to Group B, and, on the other side, the rightful Scheduled Caste man is not given that place. Now, if there are 800 cases in only nationalised banks, what could be the number of cases in the LIC, in ONGC and other public sector undertakings, in the Income-Tax Department, in the Customs Department, etc? I have put this question to every Minister and the answer given by some Ministers is 'the information is being collected', and it will be laid on the Table of the House.' Sir, under the Right to Information Act, a citizen gets information within one month. I am a Member of Parliament. But I am not getting information even after six months. Where do I go? I will definitely tell the Finance Minister, since he is a member of the GoM also, that there cannot be backlog in a Department like Income Tax. It is the most important Department collecting revenues running into lakhs of crores of rupees. I am told that there is backlog in the post of Inspector, there is backlog in the post of Income-Tax Officer and there is backlog in the post of Assistant Commissioner and Technical Assistant. I request the hon. Finance Minister to see to it that all these backlog vacancies should be immediately filled up. ...(*Time-bell*)... Sir, I am coming to very important problem.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): That is why I rang the bell.

SHRI PRAVEEN RASHTRAPAL: Now, I will give you another figure to which he will say, 'it is not my problem.' But I want that he should take this baby. It is regarding the SEZ. To my parliamentary question on 16th April, 2008, the Minister of Commerce and Industry has admitted that there are 401 SEZs in this country. ...(*Interruptions*)... In reply to this Parliamentary Question, the total employment provided by SEZs is only 61015. These SEZs have provided employment to only 61,000 workers. I want to know from the hon. Finance Minister what is the loss to revenue. What is loss to the revenue, i.e., income-tax, customs Central excise, octroi and all other direct and indirect taxes on account of establishment of these SEZs and what amount of employment you have provided to the workers? It is not in the interest of the nation. Something has to be done. Again, I may be wrong, but I am told that in China, there are only two SEZs. They are the biggest and are with the Government.

Crores of people are employed there. About three crores of people are getting employment in the SEZs of China. In a poor country like India, where there are more than 400 SEZs, there are only 61,000 workers. This should stop.

THE VICE-CHAIRMAN: (PROF. P.J. KURIEN): Mr. Raja is very happy. (*Interruptions*)

SHRI PRAVEEN RASHTRAPAL: One another problem which we Gujaratis are facing and which the hon. Finance Minister is aware of, is about the honest/tax payers whose monies are involved in the work of development, construction, building roads, building big towers, hiring buses and giving them on rent. And I have brought a file, not of a tax payer or builder. The file is that of a cooperative society.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): You will have to conclude.

SHRI PRAVEEN RASHTRAPAL: Yes, Sir, I am concluding. Cooperatives shall be the last point, Sir. You may cooperative, Sir.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): That I am.

SHRI PRAVEEN RASHTRAPAL: The Cooperative Society in Ankhaleshwar of ONGC land-loser, meaning those who have sacrificed their land to the national exchequer, the public sector undertaking, ONGC, are running a private company. Now, their return income was Rs. 26,830 in the assessment year 2005-06 and because of disallowance under Section 40(A) 3 and disallowance under Section 48(1A), there was an addition of Rs. two crore and fifty-seven lakhs and instead of a total of Rs. 26,000 total income declared by the assessee, my colleague, who is an Income Tax Officer, has legally made a total income of Rs. 3,08,60,000. And they are crying. They came to me. Now,the argument of the Department may be right. An amendment was made in 2004 that once you are making payment, you must deduct the tax. But if there is delay, the entire expenditure is disallowed. Now, our department is for taxing the income. This department is not for taking expenditure. Any expenditure which is not for business can be disallowed. I have worked in the department for 36 years. But an expenditure for business can never be treated as income of the assessee. Even if it is there in the law, it is a mistake in the law. The Finance Minister has very rightly brought in an amendment in this Finance Bill but it is not serving the purpose. This particular mistake is committed by the tax-payer in the assessment year 2005-06. They deserve sympathy and I would request the concerned officers and the hon. Minister to kindly look into this matter, so that they can be given justice.

With these few words, I would once again request the hon. Finance Minister—Mr. Sibal is here. He is also a member of the GoM of Dalit Affairs—to look into the matter, do justice to the Central Government employees, the working class and Dalits.

श्री मंगल किसन (उड़ीसा): उपसभाध्यक्ष महोदय, आपने मुझे इस विनियोग विधेयक पर अपने विचार रखने के लिए समय दिया है, इसके लिए मैं आपके प्रति आभार प्रकट करता हूं। महोदय, यह देश बहुत बड़ा है और इस देश में विशेषकर जो जंगल area है, जिसे आप Scheduled area कहते हैं, उसमें आदिवासियों की जनसंख्या बहुत ज्यादा है। पहले इस scheduled areas में खनिज संपदा से लेकर, हर तरह की वन संपदा भरी हुई थी, लेकिन आजादी के बाद यह scheduled area, सरकार द्वारा, किसान की खनिज संपदा को exploitation करने के लिए बना, वन संपदा का exploitation करने के लिए बना। अभी हिंदुस्तान का जो scheduled areas है, वह खाली हो गया है। जो आदिवासी शुरू से आज तक जंगल संपदा से ऊपर जमीन के ऊपर और फल के ऊपर निर्भर करते थे, आज उनके लिए यह सुविधा scheduled areas में नहीं है और जो कुछ सुविधा थी, after new economic policy, ज्यादा mining exploitation के लिए और जंगल के exploitaiton के लिए, अब यह वह सुविधा भी खत्म हो गई है।

4.00 P.M.

New economic policy में नए तौर से आदिवासी बच्चे अपने रोजगार का जुगाड़ कर सकें,उस हिसाब से सरकार को आदिवासी बच्चों को training देनी चाहिए। मगर बड़े दुख के साथ मैं कहना चाहता हूं कि new economic policy में बच्चों के लिए इस तरह की कोई training की व्यवस्था नहीं है, जिसके जरिए वे अपनी जीविका के लिए कुछ काम कर सकें। आदिवासी क्षेत्रों में, चाहे उड़ीसा हो, छत्तीसगढ़ हो या झारखंड हो, जितने भी आदिवासी परिवार हैं, उनकी जीविका सरकार ने छीन ली है। जो भी जीविका के नए साधन इन एरियाज़ में पैदा हो रहे है।, आदिवासी बच्चे और दलित बच्चे उस काम को नहीं कर सकते हैं, उसे अपनी जिंदगी में इस्तेमाल नहीं कर सकते हैं, क्योंकि इसके लिए कोई training की व्यवस्था नहीं है। इस कारण से लोग झारखंड छोड़ कर, उड़ीसा छोड़ कर, छत्तीसगढ़ छोड़ कर शहर की तरफ आने लगे हैं और वे लोग दिल्ली, मुंबई, गुजरात, कोलकाता जैसे बड़े शहरों में बसने की कोशिश कर रहे हैं। अगर हिन्दुस्तान को एक बना कर रखना है, तो सरकार को इन पिछड़ी हुई जातियों के लिए कुछ सोचना पड़ेगा और सरकार में जो थोड़ा-बहुत social sector में social justice थी, मेरे ख्याल से new economic policy के बाद वह social justice भी पूरी तरह खत्म होने जा रहा है। जो समाज के नीचे के तबके के लोग हैं, जो जंगल में रहते हैं, जो झाड़ में रहते हैं, जो पिछड़े एरियाज़ में रहते हैं, उन लोगों ने मेनस्ट्रीम से हट कर दूसरा रास्ता पकड़ लिया है। आज जितने भी Scheduled areas के लोग है।, जहां जंगल-झाड़ है, उन लोगों ने peaceful रास्ता छोड़ कर दूसरा रास्ता पकड़ लिया है। यह सरकार के लिए एक सिरदर्द बन गया है। इसलिए जो भाई लोग जंगल में हैं, उनके economic development के लिए, उनके educational development के लिए, उनके social development के लिए सरकार को नए तौर पर कुछ सोचना पड़ेगा, कुछ नया प्लान करना होगा। मैं एक नया सदस्य हूं और मुझे बोलने का भी तौर-तरीका ठीक से मालूम नहीं है ...(व्यवधान)...

उपसभाध्यक्ष (प्रो॰ पी॰ जे॰ कुरियन): आप ठीक बोल रहे हैं, आप बहुत अच्छा बोल रहे हैं।

श्री मंगल किसन: मेरे दिल में जो बीत रहा है, वहीं मैं आपके माध्यम से सदन को अवगत कराना चाहता हूं। जब गांव में रहने वाले हिन्दुस्तानी भाई, जिनकी आबादी 76 परसैंट है, उनकी रोज की आदमनी बीस रुपए से भी कम है, यह बात सदन में चर्चा के दौरान आई। मगर जंगल-झाड़ में जो आदिवासी लोग रहते हैं, उनको पांच रुपए रोज कमाने के लिए भी कोई व्यवस्था नहीं है, जब कि उनका एरिया खनिज संपदा से भरपूर है, वन संपदा से भरपूर है। उनके लिए जंगल में जीने के लिए जो पुराने टाइप के साधन थे, इस new economic policy ने जंगल उजाड़ दिया, उनका एरिया उजाड़ दिया, उनकी जमीन छीन ली गई, जिसके चलते उड़ीसा में आजादी के बाद से अब तक साढ़े पांच लाख से ज्यादा आदिवासी और दलित परिवार वहां से displace हो चुके हैं। मगर इन displaced परिवारों को रीहैबिलिटेट करने के लिए आज तक भारत सरकार ने कोई ऐसा कदम नहीं उठाया है, जिसके चलते उनके परिवार जी सकें। इस displacement के चलते वे लोग अपनी ज़मीन, घर-बार, गांव, छोड़कर शहर की तरफ आ रहे हैं, मगर शहर आने से क्या होगा? उन लोगों को तो रिक्शा चलाना नहीं आता हैं, उनको ऑटो चलाना नहीं आता है, उनको कार चलाना नहीं आता है, वे लोग क्या करेंगे? फिर वापस अपने शेडयूल्ड एरिया में लौटने के लिए मजबूर हो जाएंगे। शेड्यूल्ड एरिया से शहर और शहर से शेड्यूल्ड एरिया आते-जाते अज सब कम्युनिटीज़ की आबादी बढ़ रही है, मगर शेडयूल्ड ट्राइब्ज की जनसंख्या का प्रतिशत घटता जा रहा है। इसीलिए सरकार को यह जो शेडयूल्ड ट्राइब कम्युनिटी है, जिसमें से 74 ग्रुप हैं, जो प्रिमिटिव ग्रुप्स हैं, जो अभी तक कपड़े पहनना नहीं जानते हैं, अभी तक वे खाना नहीं जानते हैं, अभी तक उन लोगों ने शहर नहीं देखा है, अभी तक एक-एक कम्युनिटी में एब बच्चा मैट्रिक तक पास नहीं करता है, कॉलेज की बात, टेक्नीकल एजुकेशन की बात तो छोड़िए, तो इन बच्चों के लिए, इस आबादी के लिए सरकार को नए तौर से सोचना चाहिए कि इनको कैसी ट्रेनिंग दी जाए, इनको कैसी एजुकेशन दी जाए? इकानॉमिक डेवलपमेंट के लिए, साठ की आजादी के बाद जो डेवलपमेंट के लिए प्रोग्राम और प्लान बने, उन्होंने आदिवासी और दलित वर्गों को खुशहाली पहुंचाने के लिए कुछ हद तक काम नहीं किया है, इसलिए आपके जरिए मेरी सरकार से गुजारिश है कि पिछड़े हुए समाज के, पिछड़े तबके के जो आदिवासी भाई हैं, जो जंगलों में रहते हैं, उनके लिए अभी तक जो डेवलपमेंट प्रोग्राम एंड प्लान बनाए गए हैं, उनकों सरकार revamp करे to make it suitable for their livelihood. There must be a new plan and project to give support to these neglected sections of India so that they will able to come up and join the people of mainstream. With these words, I thank you for having given me some time to give vent to my views. I also express my gratitude to all the hon. Members in the House who have heard my poor presentation with patience. So, I am obliged to them.

उपसभाध्यक्ष (प्रो॰ पी॰ जे॰ कुरियन): बहुत अच्छा presentation था।

SHRI RAMA CHANDRA KHUNTIA (Orissa): Mr. Vice-Chairman, Sir, on behalf of the India National Congress, I support the Appropriation (No. 2) Bill, 2008, and the Finance Bill, 2008. I must say that this is the best Budget presented in this House. Many people have spoken on this from various quarters. I will not take much of the time. I would like to say one thing in this House that many Governments have presented many Budgets, but this is the best Budget not only because in this Budget, the Finance Minister has waived Rs. 60,000 crores of loans, or given Rs. 2,40,000 crores of agriculture credit, or has given Rs. 1000 crore for insurance, but if you look at the Budgets presented by the previous Government, in every respect, you will see that this Government's Budget is much better. During the NDA Government, in 2003-04, the Central tax, that was given to the State Governments, was Rs. 63,757 crores. In the UPA Government, the distribution is Rs. 1,78,764.82 crores, The economic growth, which was 3.8 per cent during NDA regime, has gone up to 9.6 per cent. If you see the gross capital formation as the percentage of GDP, it was 10.2 per cent in 2003-04. It has increased to 12.5 per cent in 2006-07. The Rashtriya Vikas Yojana has also been launched with an outlay of Rs. 25,000 crores. You see the increase in Minimum Support Price of wheat. During the NDA Government, it was raised from Rs. 610 in 2001 to Rs. 630 in 2004. In the UPA Government, the support price for wheat was increased from Rs. 640 in 2004 to Rs. 1000 in 2007-08.

Sir, if you look at the total allocations made in the Budget Department-wise, in 2003-04, during the NDA Government, Ministry of Fertilizers was allocated Rs. 13,142 crore. In the UPA Government, it was Rs. 31,200 crore.

Coming to the Health and Family Welfare, during the NDA Government, it was given Rs. 2,469.09 crore. During the UPA Government, it was Rs. 16,968.25 crore.

In Education, whether school or literacy or higher education, during the NDA Government, it was Rs. 4904.63 crore. Now, in the UPA Government, it is Rs. 27,850 crore.

Coming to The Rural Development, it was Rs. 10,289 crore during the NDA Government. In the UPA Government, it is now Rs. 31,524 crore.

If you look at the Tribal Welfare Budget, about which my brother was just speaking, it was only Rs. 307.70 crore, now it is Rs. 817.55 crore.

For Women and Child Development, it was Rs. 2,653 crore not it is Rs. 7,262 crore.

For Youth Affairs and Sports, it was Rs. 440.30 crore, now it is Rs. 1,111 crore.

If you look at this Budget and the receipt and distribution of tax money and also the implementation part, it is definitely an excellent Budget. If you compare it with the Budget of the previous Government, you can tell which is better. Due to time constraint, I will confine to two or three very important points and I will give suggestions to the hon. Minister on the important points which my friends raised.

One is the issue of NPAs. Now it is being shown that NPAs are reduced. I know that it has been reduced. I want to appeal to the hon. Minister to go into the detail. Some cooperative banks, during the end of the financial year, try to have a paper transaction and show that the money is collected and it has been financed again. I do not know about it. But I have some information that to show the NPAs as reduced, in some of the Nationalised Banks also it is being done. Whether it is being done or not can be enquired by the Government, so that the exact NPA position can be revealed.

Many hon. Members have been discussing about the black money and that is has been increasing in the country. Hon. Minister makes good strategies. So, I appeal to the hon. Minister to make a strategy to check it and bring it so that our economic condition can be improved.

In my State, the percentage of interest on cooperative loan is more than many other States. Somewhere it is nine per cent; and somewhere it is seven per cent. So my appeal to the hon. Finance Minister is this. You arrive at some formula, so that when we are waiving the agricultural loan and giving them more credit limit, we can have a permanent solution to it. If cooperative loan or farmer or agricultural loan can be given at four per cent interest rate, they can get some relief.

Sir, nothing has been said about the Sixth Pay Commission. I just want to mention it. I will not go into the details. My appeal to the hon. Minister is this. There can also be discussion with the associations and unions of the employees of the Defence and the Central Government employees, so that a solution could be found as early as possible and the recommendations can be implemented for all the Central Government employees and also their issues can be addressed.

Sir, I would raise two or three points regarding banking sector employees. The salary and long-term settlement regarding the State Bank of India and other nationalised banks, including Grameen banks, may be finalised within six months. What is happening now is that negotiations take two or three years and ultimately the Government has to pay them the arrears. So, I think that it can be finalised within six months and also the second option for all other nationalised banks for pension as it has been given to the State Bank of India. Sir, I would like to make one more point. The interest rate for car loan, housing loan and personal loan is more for the bank officers and employees than the common man. It is a very regrettable thing that though they are working in the nationalised banks, they are paying more interest on the car loan, housing loan and personal loan. This may please be considered. In case of the Gramin Bank specially, one very sensitive thing is that the provident fund limit has been kept as Rs. 6500/- as a result of which any person who is retiring from the bank, even though he is getting a monthly salary of Rs. 27,000/-, he is getting provident fund pension of Rs. 1100/- only. A person who is getting Rs. 27,000/- per month as salary, he must be an officer, he is getting Rs. 1100/- as pension, and the lower staff, who are also working in the bank, they are also getting Rs. 1100/- as pension. I do not understand this. Why should there be a discrimination in the organised sector like the Gramin Bank on this count? The provident fund deduction is Rs. 10,000/-, and the contribution from the employer's side should also be the same. So, the same benefit can also be given to all the employees of the Gramin Bank. There is no mechanism for negotiation for the officers and employees of the Gramin Bank. There is an IBA to negotiate with the bank officers and employees. There can be two options. Either there can be a separate mechanism for negotiation with the workers and officers of the Gramin Bank or the officers and employees of the Gramin Bank can also be included in the same IBA so that their issues and problems can be addressed properly. With these words, I once again support the Appropriation (No. 2) Bill, 2008 and congratulate our dynamic Finance Minister for this. Thank you.

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Sir, I was not privileged to participate on the debate in the Budget. So, I wish to cover the overall contours of the Budget at the micro level than discussing about the small amendments of tax proposals though the Finance Bill is a part of the Budget. Sir, I feel it is an ideal Budget which ensures the reduction in

economic inequalities and the regional imbalance. I leave it to the Finance Minister to make a self-assessment to what extent these Budget proposals are going to achieve these two primary considerations which are affecting the nation. But, there are certain very good aspects about the growth rate, the buoyancy of the revenues, and especially, on the direct taxes. The shift has been from taxing production and trade to the income and profits. It is a very good feature, very good development that the country is making, and I congratulate the Finance Minister for this aspect. The tax-GDP growth rate also is very good, 12.6 per cent. I think, it is likely to achieve somewhere around 17 to 18 per cent by the end of this period. But one alarming feature is, as I had the opportunity to mention in the august House that Budget is, to a certain extent, window dressed. Window dressed as far as fiscal deficit is concerned, and it may be the practice that was adopted earlier, you have been issuing the bonds for the under-recovery of the oil companies, you have been issuing bonds to the fertilizer companies, and you are going to incur expenditure on further food subsidy, and you have announced Rs. 60,000 crores which is a welcome feature for the farmers which will have tremendous impact, whether it is liquidity or the expenditure from the Government side. You have committed to implement the Sixth Pay Commission Report, and you have to implement it because a very strong organised force is the beneficiary. So, all these put together, I fully support the point made by the Leader of the Opposition about the fiscal deficit. And we have been telling the nation that the stipulations for FRBM matters are being achieved! When these factors are reckoned the fiscal defict is far higher than what has been projected in the Budget. But, Sir, the Finance Minister said on the Floor of the House that he has got a headroom about the FD. But in real terms, he does not have that headroom.

Sir, my next aspect is, how federal this Budget is. This Council of States, Sir. I will be justifying it while making this argument. Earlier, they used to transfer to the States a substantial portion of the revenues of the Central Government. Of late, the nature of this transfer has been changing, and, quite often, very radically. The normal Central Govt. assistance has become a relatively small portion, compared to the Centrally-sponsored schemes. There are umpteen number of schemes which have been announced, whether Flagship Scheme or some other schemes like the NREGP, Sarva Shiksha Abhiyan, National Rural Health Mission, and so on and so forth. But my request is that ultimately this has to be implemented by the State Governments. And State Governments are in a better position to assess the problems of the people; they know the resources that are available. Why don't we give autonomy to the States so that they can, with the resources that are available at the local level, solve the problems that are being faced by the people of the States? Why should you formulate so many schmes which are overlapping the State schemes on certain occasions, and thrust on the States? Ultimately, the victim is the federal character of the Budget. Sir, I want to bring it to the notice of the hon. Minister.

Sir, it is a major challenge, I have been seeing, to maintain the growth with price-stability. It is, really, a major challenge to the nation, to the Government as well, and, more so, to the Finance Minister. When growth is slowing down and inflation is picking up, it is, really, a major challenge to maintain the growth with inflation. Inflation is at 7.3, Sir. That is the worst last figure we have got, and the comfortable level that has been prescribed by the RBI is around 5-5.5 per cent, in the long run, and money supplies are 21 per cent as against the target of 17 per cent of the RBI, and the global inflationary pressures are likely to be unabated in the near future. So, really, the task before the Government is difficult. But, Sir, ultimately, inflation, if we keenly observe, and I also feel so, is out of shortages. It is because

of the constraints in supplies. It is not a demand-driven inflation or a cost-pushed inflation. Maybe, for some manufactured products, cost-push inflation is there. On the other hand, you are increasing the CRR continuously. Last month, you have increased it. It was increased by the Central Bank. Sir, 50 basis points they have increased, sucking around Rs. 18,000-19,000 crores from the liquidity in the market. Before it is kicked in, again 25 basis points they have increased. Again, Rs. 9,000 crores are being sucked. When problem is due to shortages, will it work if you suck more liquidity from the market? Sir, the funds disposable at the hands of the bankers will be considerably reduced and everbody, every bank is competing to make more profits. Naturally, the interest rates will be hiked. So, it affects the growth rate. When it affects the growth rate, there will be no buoyancy in our economy and revenues. Our revenues will come down. The investments will go down. If the interest rates prevailing in the country are more, there will be more capital inflow into the country, which will, again, increase your liquidity. It is a circuitous process. With my little knowledge, I am asking the Finance Minister: Is this knee-jerk reaction necessary? Are we really not addressing the problem? Is this the solution that we are showing to the people of this country? I need a clarification from the eminent Finance Minister that our country has got. There is going to be good monsoons. Our foodgrains stock is likely to reach a comfortable level, 134 lakh tonnes of wheat and 229 lakh tonnes of rice as against a target of 150 lakh tonnes of wheat and 270 lakh tonnes of rice. The Finance Minister has announced new measures also. Three weeks ago he had announced some measures. Yesterday also, he has announced some measures, But these measures should have been taken earlier. They need not have waited for such a considerable time.

Sir, I would tell you one thing. My father was a very poor farmer from a very remote village. He used to keep rice, chillies, tamarind, pulses, etc., for yearly consumption. Everything is stored. It is nothing but an extension of a family economy. I can't blame the Finance Minister alone. I have stated a long time ago in this august House that we can't blame the Finance Minister for the inflation. The inflation has to be taken care of by the Agriculture Minister with regard to foodgrains production; the Civil supplies Minister with regard to the PDS; the Commerce Minister with regard to import of foodgrains or whatever products which are in shortage. I have been advocating that there should be an exclusive department for containing inflation in the country. We can't hold the RBI alone or the Finance Minister alone responsible. It is such a complex thing. There should be a separate department. We should have anticipated in which items there would be a shortage, what would be the production and what would be the consumption of wheat, rice and everying. With the advent of space technology, we can easily make an estimate, with five per cent discrepancy, of the production. If at all there is a shortage, we should have covered this shortage by importing. Everything is available at the global level. There is no shortage. The only thing is that it is costly. You have to import it even if it is expensive. You have Hobson's choice. You don't have any choice to meet the food requirement of this country. The Finance Minister has said that there is a head-room for him to leverage our fiscal deficit. Even if the subsidy portion is increased, we have to do it and we have to contain the inflation. Ultimately, the victim is the growth rate. It is already going down, 9.6 per cent, 9.4 per cent, 8.7 per cent and so on. Yesterday, Dr. Y.V. Reddy said that the growth rate would be around 8-8.5 per cent. Ultimately, it affects the buoyancy of our revenues.

Sir, I am rather constrained to say that the two important components, which are contributing to inflation, are foodgrains and fuel, that is, petroleum products. On both fronts, we have failed to provide security to the nation. Indigenous production of crude has

not been increased substantially. We have been depending on imports. I am told that 70 per cent of our requirement of petroleum crude is being imported. Today, with more than 40 million tonnes of buffer-stock, it has come down considerably and we are compelled to import wheat. I don't say that it is misgovernance. I think it is an extremely harsh word which I should not use. But the Government lacks vision; the Government lacks foresight. They should have thought over what would be the consumption of the country and how they would replenish the stocks to cover the buffer stock. The Government has totally failed. The Finance Minister said, subject to correction , steel's contribution to WPI is large. Directly it may not contribute much to inflation, but steel is an ingredient which is used in many products, whether it is construction activity, or infrastructure or whether it is, it contributes a major portion to inflation. The Finance Minister should have taken measures long time back, which he has taken now. Sir, I wrote a letter to the Prime Minister in the month of April that 72 million tonnes ore was required for steel production in the country and 36 million tonnes was being excavated by the two major companies, that is, TATA and SAIL. They explore the mineral at the factory itself. The cost of ore that is being incurred by them is not exceeding Rs. 350 per metric tonne. Then 17 million tonnes is being supplied by the NMDC and around 19 million tonnes is being supplied by private iron ore companies. If that is the case, why is the component cost of iron ore is so high, as is being claimed by steel manufacturers in this country? So, the NMDC should have supplied the iron ore at a subsidised price, as ONGC is supplying to the Government oil companies. There are certain measures which the Government should have initiated to reduce the steel prices. Now, of course, certain measures have been initiated but it is too late.

Now I come to cement. It is very strange. I do not know the logic behind what the Finance Minister has said. It was a specific duty. A bag of 50 kg. costs more than Rs. 250/- You are levying Rs. 600/- on 20 bags. Now the duty will be Rs. 30 per bag. Now you have made it *ad valorem*. So the more the price, the more the duty, ultimately, they will pass it on to the consumer. Is it the intention of the Government to garner more revenue out of this misery that is being faced by the common man in this country? Suppose, the cost of a cement bag increases, automatically, your revenue will go up. Ultimately, it is not being borne by the producer, it is being passed on to the consumer. What is the logic behind this increase?

Yesterday, the Finance Minister said they are cutting the duty on milk and milk products. India is the leading producer of milk in this world. For import of milk and milk products, subject to correction ...*(Interruptions)*. Are we contemplating any shortage in milk production in this country? So far as ghee is concerned, nobody in the world knows about it, except the Indians. They may know about cheese and butter, but not ghee. Where is the necessity for cutting duty on import of milk products?

On farm credit, I should congratulate the Finance Minister for this achievement. He made an announcement that farm credit will be doubled in three years. You have achieved more than that. I should congratulate you for that. But we have been reviewing the performance of banks. The individual banks have not achieved the targeted figures.

SHRI P. CHIDAMBARAM: Twenty-two banks have achieved the target. It is the highest ever. Yes, in 2007-08, 22 banks have achieved the target.

SHRI C. RAMACHANDRAIAH: Sir, I am privileged to have the latest figures from him. And the banks, which could not achieve the stipulated advances, could deposit the difference in amount in the RIDF. It is not a punitive action. You are giving interest on the RIDF.

SHRI P. CHIDAMBARAM: It is a semi-punitive action.

SHRI C. RAMACHANDRAIAH: My request is that the Government should be stringent and initiate action against the banks which have not been able to achieve the 18 per cent stipulated advances.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): Please conclude.

SHRI C. RAMACHANDRAIAH: I will conclude, Sir. I have to make a mention about the capital market. I moved an Amendment Bill on the SEBI Act in 2005. In the month of January, 2006, Parliament sent it to the Ministry of Finance...

SHRI P. CHIDAMBARAM: I accept the mistake. The letter does not appear to have been received in the Finance Ministry. The Parliament record says that the letter was sent in January. Be that as it may, I have accepted that mistake.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): You please conclude now.

SHRI C. RAMACHANDRAIAH: Sir, it is a dangerous thing happening in the capital market. Especially, in the matter of IPOs, the Government should protect the interests of small investors. The share of a company, which does not even have 1000 MW of installed capacity, was quoted at Rs. 450, and the NTPC, which is a Navaratna of this Government, which has got 26,000 MW of installed capacity, which has got an excellent track record of making profits and declaration of dividends, and has got a vision of further adding 50,000 MW of power by 2016, their share price is being quoted at Rs. 210 in the stock market. What I am trying to say is that the small investors, gullible investors, are being looted in this country. We are at the transformation stage, and we need to strengthen the capital market. I do admit it. At the same time, investors have to be protected, especially, as far as IPO is concerned. That is why, I wanted to bring some amendments under the SEBI Act. The powers pertaining to the issue of IPOs, pricing of IPOs, timing of IPOs, all these have been taken away. The Finance Minister can say that the market forces will play its role. But the small investors do not find a place in the midst of the market forces. With these comments, I conclude.

SHRI SYED AZEEZ PASHA (Andhra Pradesh): Sir, thank you for giving me this opportunity. I rise here to participate in the discussion on the Finance Bill on behalf of the CPI. Yesterday, while replying to the debate in the Lok Sabha, the hon. Finance Minister spoke about the overall growth. He spoke about containing inflation. He spoke about collecting more taxes and about inclusive growth. As regards collecting more taxes, definitely, we can congratulate our hon. Finance Minister on this. But while he was talking about inclusive growth, I just want to put a simple query as to who the beneficiaries of this inclusive growth are. Is it a vast section of our Indian masses, who are the beneficiaries, or, is it only a handful number of people who are getting the benefit out of your inclusive growth? The harsh reality of the common man's economic distress has already been exposed by the Arjun Sengupta Committee Report. I do not want to go into the details. So, while presenting the Budget, our Finance Minister has declared a loan waiver of Rs. 16,000 crores to the farmers. It is really a welcome step. But I feel it is only a short-term measure. What about the larger strategy that you want to adopt to overcome this agrarian crisis? Your own Committee, headed by Professor Swaminathan, recommended reducing the rate of interest from eight per cent to four per cent. I think that will go a long way in mitigating the sufferings of the peasantry. There is no mention about it whether there is any proposal to

reduce the rate of interest. Then, it is really strange to see that while the food production has gone up to 84 per cent, on the contrary, farmers' wages have gone down by 20 per cent. This really not understandable. Sir, we have an above 9 per cent GDP growth; we have sufficient funds. But what about the social sectors? How much are we going to use for our social sector? Then, I come to the agriculture sector. The Prime Minister, Dr. Manmohan Singh, has repeatedly been emphasising on the fact that we have to increase our growth rate in agriculture to a minimum of 4 per cent because today it is not even two per cent. The Eleventh Plan should accelerate the total growth to a double digit in agriculture. In this regard, I have to point out that only one-third of our land is cultivable; two-third is uncultivable because of lack of irrigation. If the Government is really serious, if they can take it up as a challenge to make this two-third land cultivable by bringing it under irrigation, that will leave a big mark in our history. There will, definitely, be a three-time increase in our foodgrains and we would not need to import from outside. We can easily compete with countries like China. So, there is a need of sustainable growth. In regard to the SEZs, I have seen a report from the Finance Ministry which clearly mentions that we are going to lose Rs. 1,17,000 crores due to tax exemptions that we are going to the SEZs. I know the hon. Minister, Shri Kamal Nathji, is not ready to agree with the figures given by the Finance Ministry. But if you go through the recommendations of the Standing Committee on Commerce, you will find that they have unanimously passed a resolution asking for a total review of the SEZs and they say that there is no need to further expand the SEZs. They have also pointed out that this so-called employment-generation figures are false. So, there is no justification for giving exemption to SEZs on one pretext or the other. Sir, then, what is the rationale behind various expenditures that we are doing on various Ministries. I think the necessity is more of spending on irrigation and on infrastructure. Then, so far as food security is concerned, already the Swaminathan Committee has suggested that if one per cent of the GDP is spent on food security, 84 per cent of the population will get secured. There is nothing more to be done. The Government has to incur only Rs.25,000 crores for giving one per cent of the GDP for food security. On behalf of the Left Parties, I want to say, and I agree with friend, Shri tapan Kumar Sen, that this duty and tax on petroleum products should be dispensed with. Whenever we ask this question, the reply is that not only the Central Government but the State Governments also are levying commercial taxes on petroleum products. They say that it is very difficult to impress upon or to pressurise the State Governments. But you start first if you are really convinced that this is unnecessary; you have to dispense with the taxes and duties which you are putting on petroleum products. Then, you have to strengthen the PDS, universalise the PDS. Last time we had seen that our procurement had come down from 30 per cent to 15 per cent of the total foodgrains production.

So, how can we strengthen the Public Distribution System, when our procurement rate is so low? Sir, due to futures trading we are seeing that speculation is on the high. Already there is a suggestion from various corners that the Government should do away with futures trading in order to contain inflation. But, we have not got any sort of satisfactory reply from the hon. Finance Minister, in this regard. (*Time-bell*) Sir, I have two more points, and I will finish in two minutes.

Sir, we are talking about the agriculture sector and the rural sector. Sir, I would like to inform the House that some 3,000 *Grameen* Banks have been closed. Their closure started during the rule of the NDA and it is continuing in the UPA regime also. I request the hon. Finance Minister to re-open those 3,000 *Grameen* Banks, which will be a great boost for the rural sector.

[MR. DEPUTY CHAIRMAN in the Chair]

Finally, Sir, I would like to say that when the Finance Minister brought the Urban Cooperative Banks under Income-tax net, due to some ambiguity, even the cooperative credit societies are getting notices from the Income-tax Department. Sir, I want the hon. Finance Minister to take a strong note of this, and give clear-cut instructions to the Income-tax officials that the cooperative credit societies should not be brought within the ambit of Income-tax. So, these are some of my suggestions for the consideration of the hon. Finance Minister. Thank you very much, Sir.

SHRI ABANI ROY (West Bengal): Sir, there is limited time at my disposal, so I would only give some points. First of all, while speaking on the Finance Bill, which is closely related with the Budget, I would like to say that price-rise is a factor. Today, we have seen the statement of Ms. Condoleezza Rice in the newspapers saying that since the Indian people are taking improved diets, hence, they do not want to export foodgrains to other countries. It is well known to the Parliament and to the people of India that we are not only getting foodgrains at high prices but there is not enough food. So, these are the words used by Ms. Condoleezza Rice. I think, the Government should lodge a protest on this particular issue. Sir, malnutrition is known to everybody. As far as the Public Distribution System is concerned, we have requested the Government to take proper steps so that it is improved. On the question of education and mid-day meal, we have said so many things. Our friends have also said so many things to the Government on these issues. So, I am only highlighting the point that even though the Government is saying that they are giving more money for education, but till now, even after 60 years of our Independence, the number of primary schools and primary school buildings is very less. We shout at the time of elections that the Government is not taking care of the education of the Scheduled Castes and Scheduled Tribes. In the rural areas, there are not enough teachers in schools, and the drop-out rate is very high. Even after starting the Mid-Day Meal Scheme, students are not coming to schools. The Government is starting schemes after schemes, but not giving a proper thought to the basic problem. The Government is not thinking about providing schools building and teachers in these schools.

The Government is introducing schemes after schemes in the name of Bharat Nirman Yojana, Prime Minister's Sadak Yojana, NREGS, Rajiv Gandhi Swavlamban Rozgar Yojana etc. Every time, the Government is starting new schemes in the name of our great leaders or in some other name. What we have to do is, we have to find a permanent solution of all these problems. I think, we are giving something only temporarily. There is a lot of corruption and there is no proper utilisation also. We should think on giving a permanent solution and not doing the work in this way.

On the agricultural workers' side what is happening, what is not happening and how they are facing problems is all known to the Government. Questions were raised by my colleagues including hon. Members from the Congress. Rashtrapalji has said something, Seelam has said, Tapan Sen has mentioned, Arjun Sengupta also said something. I think, on this issue, the Government should seriously think and have a universal minimum wages or national minimum wages and that should be paid by everbody, not like we have done in NREGA. In various States, the minimum wages are there, but they are not paid evenly. Something should be done for this.

On the question of SEZ, industrialisation, real estate and farm houses on the agricultural

fields, that also should be stopped if we want to face food crisis squarely and have food security. On the question of Sixth Pay Commission, points have been raised. Things are not clear for Group C and D employees. there are some lacunae in it. It is said that the Sixth Pay Commission has not touched some organisations and that point is also there. Above all, we are talking of development. I do not know development for whom and growth for whom, because you know that the common people, till now, are in the same position as they were before. It is the common saying used by the people at large that the rich become the richer and the poor become the poorer. If this is the thing, I do not know, at the end of this Government what slogans would come out of the common people. Slogans like the one I said are not good for the Government. At least, we must think for the common man.

I would like to raise another point. Every time we say that kerosene and LPG the Government is giving subsidy after subsidy. On the petroleum products, you have taken some decision, it is good. But the question so far as subsidies are concerned, from the very beginning till now, every time, the excise duty or the customs duty, it is forced on the petroleum products. That is the main cause of the subsidy that you are giving. Day-by-day it is going up. So, if you reduce the tax, then subsidy that you are talking today will less. Subsidies on food and other things, you have to provide. Some of the things have been uttered by Tapan Sengupta also on this issue. I am not going to make my speech a lengthy one. On everything, whatever the small plans that you have, Indira Awas, this and that, if you want to give solutions, give those on a permanent basis. If you think for the poor people, if you think for the common people, if you think for the villages, then try to take steps in such a manner, not by piece-meal manner, but on a permanent basis, be it providing residence, health, food, employment or anything.

Employment is the best thing where there should be more stress because without employment or engagement, the people are trading wrong paths into terrorism, militancy, Maoism, Naxalism, whatever you call it. Since they have nothing to do, they are going here and there, using their brain in a devil's way. I will request the Finance Minister that while replying to the debate to take into consideration the points made by Rashtrapalji, Seelamji, Tapan Senji, Arjun Senguptaji and others including myself. They have pointed out how to solve the problems of the common people of India and how we have to think of a permanent solution in this regard. Thank you.

SHRI SHARAD ANANTRAO JOSHI (Maharashtra): Thank you very much, Mr. Deputy Chairman, Sir. During the course of the general debate on Budget I spoke on the generic aspect of the Budget. I pointed out particularly the errors in the loan waiver scheme that was announced. I pointed out that it was full of holes in as much as it differentiated between borrowers and borrowers, it differentiated between the lenders and lenders, and it also differentiated between different types of loans. While talking during the debate on inflation, I tried to argue that the theories of inclusive growth were inconsistent with the system of stable prices and a system of rapid growth. Today in the discussion on the Finance Bill I intend to stick strictly to the contents of the Bill and I would specifically address chapter 7, which deals with the Commodity Transaction Tax. Sir, the reason why the Finance Minister had to announce a loan waiver scheme at all was that for the last 50 years, at least, the farmers have been trapped in the APMC, FCI and PDS trap in which they were impoverished and became indebted. Sir, in the same breath, as the Finance Minister announced loan waiver, he announced a very heavy system of taxation on the trading of the farmers. He increased the cost of trading for the farmers by 900 per cent. I am referring to the futures

market consumer transaction tax. I know there were a lot of misgivings about what the futures market means. Last time when we had a discussion on the inflation, a question arose as to why my Committee or Abhijit Sen Committee had not submitted a report on the subject. Since then, Sir the Committee has submitted the report and the Chairman in the minority of one has indicated some doubts about the effect of the futures market on the spot prices. Four others have given a clean chit to the futures market and pointed out that according to the third term of reference what was more important was to promote the participation of the farmers. Sir, if the idea is to promote the participation with a view to increasing the liquidity and depth of the futures market the important thing is not to make it expensive. What the Finance Minister has done is that he increased the cost of the transactions in the commodity exchanges by imposing a tax of Rs. 17 per lakh and that makes the cost of every transaction increased from Rs. 2 to Rs. 20. Sir, this is a way of taxing out of an existence of a market. If you have theoretical doubts about the working of a market in the light of the report you can say so and say that the futures market will not be allowed to function. But to impose a tax so that this futures market is driven out of existence, is a very wrong and theoretically not justified way of dealing with the whole very serious problem. If, for example, futures markets are closed and then all that is going to happen is that the transaction, will takes place on the international futures markets or what is called the *dabba* markets and these are the markets where the tax will not be imposed and the important consideration is that the farmers who stood to gain by getting the advance knowledge of possible prices from the future markets and who would get advantage of the time and space because of the future markets will stand to lost that and they will be caught once again in the old trap of use of the Essential Commodities Act—banning of storages, restrictions on exports and imports from abroad in the nature of dumping. I think; if that is the plan, let the Government say that. But to tax it out of the existence would be an act of cowardice. I would strongly recommend to the Finance Minister that even at this stage since the date of implementation of that tax has not been announced...

MR. DEPUTY CHAIRMAN: Hon. Members, it is 5 O' clock, we have a Half-an-Discussion. I think if there is consensus in this House, then, we can take it up afterwards. You all agree. Okay.

MESSAGE FROM THE LOK SABHA— *Contd.*

Motion to extend the Monsoon Session, 2008 for presentation of report of the Joint Committee

SECRETARY-GENERAL: Sir, I have to report to the House the following message received from the Lok Sabha, signed by the Secretary-General of the Lok Sabha:

"I am directed to inform you that Lok Sabha, at its sitting held on Wednesday, the 30th April, 2008, adopted the following motion regarding extension of time for presentation of the Report of the Joint Committee to examine the constitutional and legal position relating to office of profit:—

"That this House do extend upto day of the Monsoon Session, 2008 the time for presentation of the Report of the Joint Committee to examine the constitutional and legal position relating to office of profit."